

Financial literacy and financial literacy education

What might be the components of an effective financial literacy curriculum?

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Nirmala Lee

*Department of Lifelong and Comparative Education
Faculty of Policy and Society
Institute of Education University of London*

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Statement of originality and word count

I hereby declare that the work presented in the thesis is, to the best of my knowledge and belief, entirely my own, except as acknowledged in the text.

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N Lee

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Abstract

There is concern about lack of financial literacy and need for financial literacy education, but little or no attempt to understand their nature. Three questions were asked: 'What is financial literacy?', 'What is financial literacy education?' and 'What might be the components of an effective financial literacy curriculum?'.

Adopting an inductive grounded theory approach and a pragmatist philosophy, in association with real-world organisations such as the National Institute of Adult Continuing Education (NIACE), the Financial Services Authority (FSA), and the National Research and Development Centre for adult literacy and numeracy (NRDC), empirical data was collected from surveys, observation and interviews.

This was the first time that: perceptions of financial advisers in England on financial literacy were systematically analysed; financial literacy education provision in England was examined using the FSA framework; financial literacy education for financial literacy providers was the subject of a study; a financial literacy curriculum was categorised using the FSA's baseline survey areas; and financial literacy curriculum components were explored within a new synthesis of 'Competency Based Action Learning (CoBAL)'.

It was found that often financial literacy was misunderstood, financial literacy education interventions ineffective, financial literacy practitioners unqualified, and financial literacy curricula simplistic. Public policy needs to be directed towards developing a more rigorous and aspirational form of financial literacy education that would facilitate more effective outcomes.

Financial literacy is more than information or capability; it is the demonstration of competencies in actual performance in the financial world. Financial literacy educational interventions need to be multidimensional and set within the framework of adult learning and not that of children learning within a formal educational system. A financial literacy curriculum that synthesises components relating to knowledge, skills and attitudinal competencies with action learning in the real-world context is likely to lead to the generation of more effective financial experiences.

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CHAPTER 1 THE CONTEXT AND METHODOLOGY

*The headlong fool that wants to be a swopper
Of gold and silver coin for English copper,
May, in Change Alley, prove himself an ass,
And give rich metal for adultrate brass.*
-Anonymous

It is reasonable to argue that many people consciously make decisions that are not in their own best interests. In the field of personal finance, the quality of decisions has long-term consequences for financial survival. Inappropriate decisions can have disastrous consequences, and therefore the ability to make appropriate financial decisions is of paramount importance. However, many consumers show limited interest, make little effort to evaluate alternatives and some even purchase financial services which may be detrimental to their long-term interests (Devlin, 2003). How can appropriate financial decision-making be facilitated? This is clearly a question that merits investigation. Any investigation that helps to improve the financial decision-making process would be worthy of some attention.

This section is about the origin, context and methodology of my research project on financial literacy (FL) and financial literacy education (FLE) considered relevant to the financial decision-making process. First, I consider the personalised context and the concern that led to this research, and define the main objectives that inform the project as a whole. Secondly, I set out the methods of enquiry. I identify the empirical setting as 'the real world', and the research approach as inductive and grounded. Thirdly I look at the rationale and research design that comprises three parts: the understanding of FL, the understanding of FLE and the exploration of the components of an effective financial literacy curriculum (FLC). I also examine the sampling frame, data collection and analysis. Finally, I consider the research as an evolutionary process.

1.1 The Context and the Problem

Is it possible to avoid inappropriate decisions in the area of personal finance? This question had been engaging my attention since 1971, when I joined the State Bank of India as

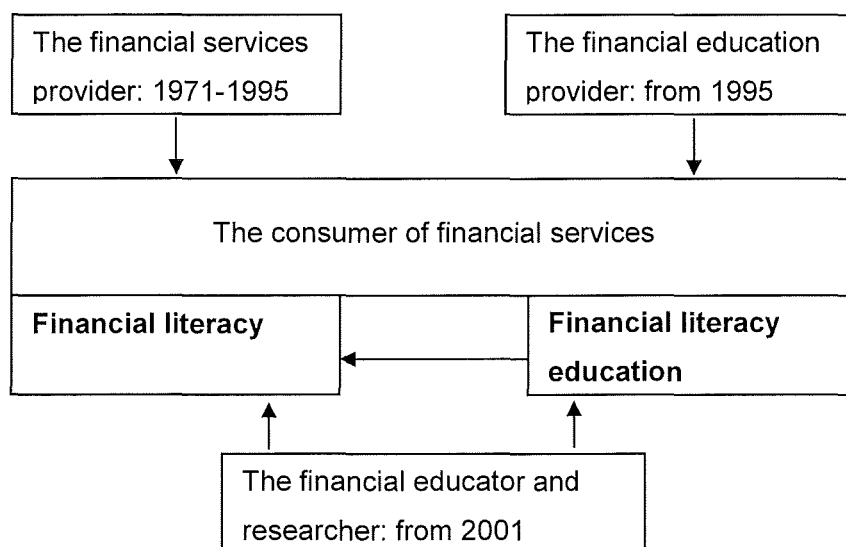
trainee manager. State Bank of India was India's largest bank and ranked among the top two hundred international banks. It was the bank with the largest number of branches in the world. In this institution, I pursued a successful banking career. I progressed from middle management to senior management and to the position of Assistant General Manager. For a period of twenty-five years, I worked in the financial services industry, advising consumers and observing them making financial decisions. In 1995, I changed career. From being a senior banker, I went on to become a senior banking lecturer. I provided financial education to students. All my students were current and potential consumers of financial services. Some of my students were bankers themselves; they were providers as well as consumers of financial services.

As a senior bank manager turned senior banking academic, I was able to see financial services from two different perspectives. A senior level career in the financial services industry had been an automatic gateway to a certain level of FL acquired as part of the process of developing job knowledge. As a 'financially literate' senior bank manager, I had occasion to observe customers making inappropriate financial decisions. Some of these inappropriate decisions actually helped in the achievement of bank business targets. Despite some concern about inappropriate financial decisions being made by consumers, my perspective for a quarter of a century was primarily from a provider's point of view. The transition to the role of financial academic offered an opportunity to interrogate the field with less bias and more criticality. More and more, the focus turned to the consumer and to the issue of inappropriate decisions. Finally, in 2001, I turned to research as a mode of interrogation of some of the important issues that had been engaging my attention for the previous thirty years.

1.1.1 The context

Having acknowledged that a number of factors were responsible for the quality of financial decisions, I selected for my research one factor that had been my concern for several years: the consumer's financial literacy. Having recognised that a number of factors would be responsible for FL levels, I chose financial literacy education as a subject that merited investigation. The choice of FL and FLE as foci for my research had "autobiographical roots" (Seidman, 1991:24), and originated from my own prior experiences. The diagram below shows how my dual professional career spanning a period of thirty years provided both the origin and the context for the research I planned to undertake.

Figure 1: The dual perspective



1 above indicates the duality of my own professional perspectives as financial services provider and financial education provider, which set the stage for the study of the duality of the consumer's position as consumer of financial services and consumer of FLE. The professional context of the banker and financial adviser involved looking at the individual as a purchaser of financial services: I perceived FL to be a requirement for the consumer of financial services. The professional context of the teacher of personal finance entailed looking at the individual as a consumer of financial knowledge: I perceived FLE to be a requirement for updating FL. The attempt to research FL entailed the recontextualisation (Brown and Dowling, 1998, Evans et al., 2009) of my own experience of FL in the role of financial manager and adviser for a period of twenty-five years, and in the role of financial educator for a period of five years. The research settings were those which I had earlier experienced as a direct participant. Now those settings were recontextualised in my new role as a researcher; the participant had now become an observer and commentator.

1.1.2 The problem and concern

History has recorded many inappropriate financial decisions. Money has often been a cause of the delusion of multitudes. The South Sea Bubble was described as a madness that seized the people of England in the eighteenth century. Another bubble in England related to the English Copper and Brass Company gave rise to the caricature of "the headlong fool" that may "prove himself an ass" (Mackay, 1852:2.23). 'Credulous fools' and 'unscrupulous knaves' were condemned for buying and selling respectively. More recently, towards the end of the twentieth century, inappropriate financial transactions were being described as 'financial misselling scandals'. In 1998 the 'pension misselling' scandal was expected to have cost British insurers an estimated \$18 billion in compensation payments to nurses, miners, schoolteachers and other workers who were affected by bad advice (Steckow and Calian, 1998). In 2000 the House of Commons noted that much distress had been caused by the misselling of endowment policies linked to mortgages (Cable, 2000). Speaking to the Council of Mortgage Lenders, the Chairman of the Financial Services Authority (FSA)¹, acknowledged that some consumers were sold badly flawed products and often incorporating unjustifiably high charging rates (Davies, 2002b). Stories about financial misselling scandals were becoming increasingly commonplace. Such scandals usually involved a flawed product bought by a group of people who had been the victims of misselling and who were thought to be in line for compensation. Correspondingly, consumer bodies were becoming increasingly vociferous in pointing out unethical practices. Financial brokers were being offered high rates of commission to arrange loans at very high rates for people who were already in financial difficulties. On one occasion brokers had received as much as £1000 to arrange a £5000 loan; on another occasion a secured loan of £2500 had been on offer at an annual percentage rate (APR) of 40% (Which?, 1992). Misselling had also been found to have taken place in regard to Payment Protection Insurance (PPI), credit card default charges and unauthorised overdraft charges.

Reports about misselling bring up some important questions. What factors might lead to misselling and how can these be avoided? On the one hand, the succession of misselling

¹ With effect from April 2010, the Consumer Financial Education Body (CFEB), established under the Financial Services Act 2010, continues the work of the FSA's Financial Capability Division independently of the FSA.

crises might be due to unscrupulous sellers, indicating the need for more effective regulation of the providers of financial services. On the other hand, these crises might be due to financially 'illiterate' buyers, indicating the need for more effective education of the consumers of financial services. The issue could be one of misbuying rather than misselling. Arguably misselling takes place only when there are misbuyers or people who can be missold to. Large volumes of consumer information exist in respect of financial matters, ranging from bank deposits to investments in emerging markets (Lee, 1997). However misbuying continued to occur with regular frequency.

Consumer ignorance and apathy have been well documented. One survey conducted by Abbey National in 1990 asked a simple question: 'Do you know what you will be charged if you overdraw your account?' Out of a sample of 1,938, 62% said that they had never been told how bank fees or charges were calculated. Of those who did recall being aware of charges, over half did not know what they would be charged if they overdraw on their accounts (Mitchell, 1991). Survey results released by National Savings (2002), a Government body, indicated that £9.3 billion was lost to the savings and investments market in 2001 because people were confused by the language used by the financial services industry. Taylor Nelson Sofres, a market information group, interviewed 2000 people for the survey, and one in five acknowledged that they had not saved specific sums of money during the year as they were baffled; 36% of respondents felt it had become more confusing and complicated compared to the previous year. If the findings of the survey were to be projected across the adult population of the UK, about 8 million consumers were confused. Underutilisation of financial services by the most disadvantaged sections of society was also a recurrent theme (Ewells et al., 1998).

Being financially literate could be rendered difficult by various factors. The relevance of financial products could differ depending on the individual and depending on the stage in the lifecycle. Further, there was substantial heterogeneity across population groups in, for example, how pensions affected non-pension wealth (Gale, 1998). Financial products were inherently complex, and they had grown in range and complexity. New products were being developed rapidly, and it was almost impossible for anyone to keep up with the pace of change in the financial services industry (NACAB, 2001); in the circumstances, identifying special offers which concealed poor value posed a problem. A free economy such as the UK encouraged competition among financial services providers resulting in a greater variety

of products. More providers and more choice could lead to more confusion and misbuying of financial products if FL was low. It was possible that the regular occurrence of financial misselling scandals could be avoided if people were more aware, knowledgeable and discerning. This problem had been acknowledged by policy makers. The FSA had the responsibility not only of ensuring professional standards of financial advisers but also of improving the FL of consumers (2004). Policy-makers and regulators identified inadequate FL as a major problem causing concern in the field of financial services.

Clearly, the consumer cannot be held responsible for all inappropriate financial decisions. Social, political and economic factors may be responsible for financial failure (Sandlin, 2000). Inappropriate financial decisions could be made for a variety of reasons: misunderstanding by the consumer, misrepresentation by the provider, and misfortune due to changed circumstances. For example, investing in financial futures that anticipated a rise in the Japanese Nikkei index would have been considered an astute financial decision prior to the Kobe earthquake which resulted in an unforeseen collapse in derivative prices. A well-researched financial decision might go awry due to unforeseen circumstances through no fault of the consumer. While financial 'illiteracy' on the part of the consumer could contribute to a large number of wrong decisions, there could be other variables that rendered the consumer ill-equipped to take financial decisions. In the circumstances, FLE alone might not be the panacea for financial misbuying. Regardless of the presence or absence of FL, asymmetric information could have an impact on the consumer decision-making process (Leyshon et al., 1998). Moreover, no amount of FL could guarantee against wrong decisions if financial institutions offered inaccurate and misleading information on which such decisions had to be based. Therefore, attempts to improve FL ought not to affect the statutory right of consumers for the proper regulation of the financial services industry or ignore the intricacies of differing political contexts of FL. However, such attempts ought to involve exploring the possibility of expanding the limits of *caveat emptor* discussed in the Nye Report (1998) so that 'buyers beware' whenever financial decisions are undertaken. There was an urgent and important need to enable people to learn how to deal more effectively with financial matters in their lives.

1.1.3 The research objectives and research questions

A preliminary literature survey indicated that the field of personal finance was "sociologically neglected" (Aldridge, 1998:1). There was much interest in the area of improving consumer

awareness and encouraging buyers to 'beware', but this interest seemed to be beset with preconceived notions. As a researcher, I noted the concern about the lack of what was labelled as FL. I also noted the enthusiasm for developing FLE. However, there seemed to be little or no attempt to understand the nature of either FL or FLE prior to attempting to develop literacy and educational programmes. It would seem logical to assume that in order to attempt improvement in FL, there was a prior need to understand the nature and characteristics of FL. However, awareness of this need appeared to be low. There was a gap here that needed to be addressed. Understanding FL and FLE was essential prior to developing them. In the circumstances, the research problem was formulated, not as a set of hypothesis to be proved, but as a set of questions to be investigated. I identified three major research objectives:

- 1) Understanding FL
- 2) Understanding FLE
- 3) Understanding what might be an effective FLC.

Before embarking on a full-scale investigation, it seemed appropriate to make some kind of an initial assessment as to its desirability. I saw the need for one or two initial surveys, best described as preliminary enquiries, which would be primarily exploratory in nature. Preliminary surveys would serve to indicate whether FL was considered to be an area of significance for investigation and also initiate the process of identifying specific research questions.

I felt that the target population for these preliminary enquiries needed to comprise neither financial advisers nor financial educators already deemed to be financially literate themselves, but individuals who were yet to be fully exposed to the intricacies of the financial world. University students seemed to fit this description. University students were also a source of convenience samples, being readily accessible in my role as senior lecturer in a university. It would be useful to explore the views of these students in relation to FL.

Accordingly, two preliminary enquiries were carried out using a one-page questionnaire² and a three-page questionnaire³. The questionnaires were personally administered for

² See Appendix 1: Preliminary enquiry one questionnaire

immediate feedback. I felt that personally administering initial feeler questionnaires would obtain instant results and would serve as an appropriate starting point. The sample for the first preliminary investigation consisted of 10 students undergoing a summer school course at a London university. The samples for the second preliminary investigation consisted of 43 students comprising an undergraduate group of 23 students and a postgraduate group of 20 students at another London university. The data generated by these surveys were analysed manually: 88% of respondents of the first investigation felt that there was a need for continuous FL development throughout one's life; 70% and 95% of respondents respectively of the two surveys felt that FL was relevant to students of other subjects such as Fine Art; and 100% and 70% respectively felt that FL should be included in the curriculum in higher education. The preliminary enquiries seemed to indicate that FL could be of considerable interest to individuals, and "the value of the work" (Reason and Bradbury, 2001:224) with which I proposed to engage.

Corresponding to my research objectives, and arising from preliminary investigations, I identified three major research questions and I framed these questions in simple terms in order to facilitate a clear understanding of the issues involved.

- 1) What is FL?
- 2) What is FLE?
- 3) What might be the components of an effective FLC?

It seemed to be more relevant to focus on the FL demonstrated by adults rather than by children/school-goers who were not yet in a position to access the full range of financial services. An adult was a person who had reached the legal age of majority, which was 18 in England, when a person ceased legally to be considered a child or minor. An adult was one who assumed control over his or her actions and decisions, and not subject to the legal control and responsibilities of others. While acknowledging that identifying 'adult' status of individuals would not always be easy and clear, adult FL became the main focus of my research.

³ See Appendix 2: Preliminary enquiry two questionnaire

1.2 The Methods of Enquiry

Research about FL needed to confront its inherent complexity by employing investigative methodologies that were commensurate with that complexity (Rowe and Rowe, 1999). Social sciences research was a large multifaceted field that encompassed a wide array of disciplines and employed a variety of methodological approaches (Cain, 2001). The case study method did not have the breadth that I wanted for my research, though I did acknowledge and was aware of the complexity of individual lives, cultures and practices whether these are related to the choice of a sartorial or financial product. On the other hand, methods such as the survey appeared to be more appropriate to the research questions that evolved over time.

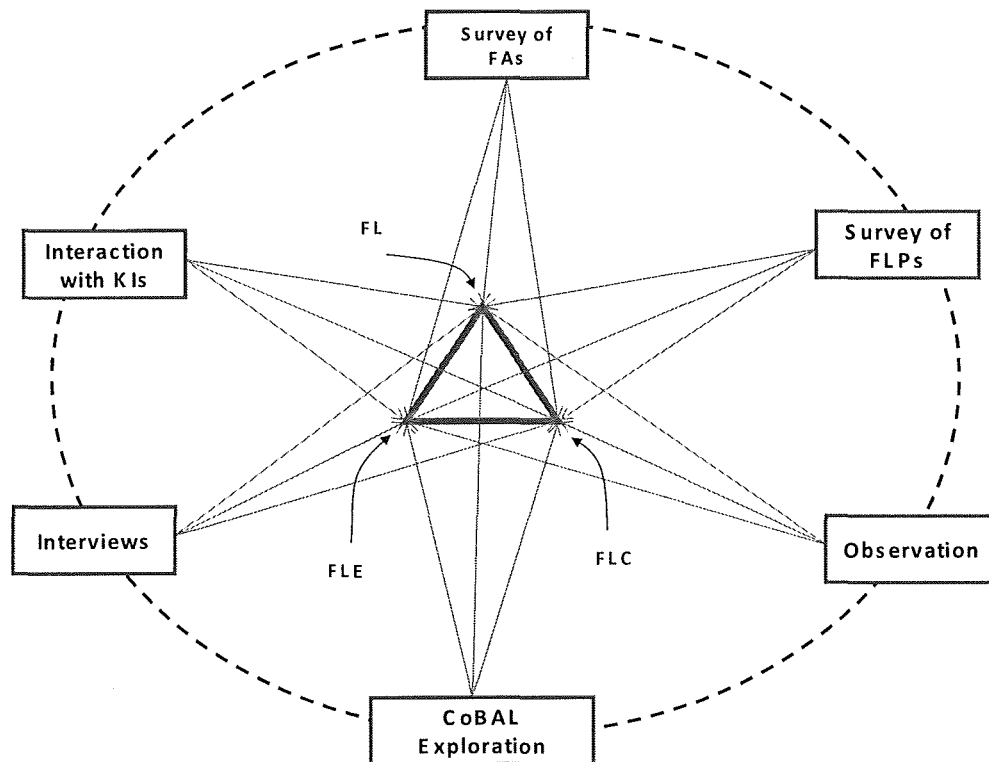
1.2.1 The mixed-method research strategy and hexangulation

I did not wish my research to be circumscribed by preset methodological assumptions. I reserved for myself the right to make choices and decisions as my work progressed. My research was a “flow of work” that evolved over the course of my investigation (Strauss and Corbin, 1998:29). The very research objectives set out in section 1.1.3 above developed over time; the third objective, which had originally related to understanding the impact of FLE on FL, was subsequently identified as understanding the components of an effective FLC. Correspondingly, I had to make “sensible methods decisions given the purpose of the inquiry, the questions being investigated, and the resources available”.(Patton, 1990a:39) on an ongoing basis.

Many studies had been found to benefit from a combination of qualitative and quantitative approaches (Brown and Dowling, 1998, Bryman, 1992). The “interplay between qualitative and quantitative methods...data collection and analysis can be done in both modes, and in various combinations, during all phases of the research process” (Strauss and Corbin, 1998:31). Integrating different research methods into a mixed-method research strategy was likely to increase the validity of final results and provide more comprehensive understanding. In the case of this research, the adoption of a mixed methods strategy enabled me to employ *different research methods, work with different types of data* and use *different investigations* while conducting “balancing acts between a number of pragmatic considerations” (Brannen, 2008:4). Different sets of respondents thought through various issues and articulated them in the process of the research and different strands of empirical materials and perspectives were combined in the study. While a cross-sectional survey

design appeared to be the most appropriate starting point for addressing the first two research objectives, the research methodology that emerged in its final shape evolved from a combination of research methods that included the survey, observation, exploration through practice, interview and participative interaction as indicated in Figure 2 below.

Figure 2: Mixed-methods and hexangulation



Triangulation was sought to be achieved by using different research methods, and also different sources of information (Denzin, 1988) in order to “enhance credibility” (Robson, 1993:404). The purveyors of financial advice, the providers of FLE, the participants of FLE and other stakeholders comprised different sources that provided information relevant to the investigation. Concurrent as well as divergent views provided insights.

I coined the term ‘hexangulation’ to denote triangulation of research findings from the six sources of data utilised for the research. The term is not used in the meaning ascribed to it as a mathematical graph denoted by the symbol \mathcal{H} . Rather, it is used to indicate the attempt to validate research findings by the use of a variety of research methods and

approaches that led to the generation of research data from six sources. Hexangulation expanded and elaborated understanding of the answers to my research questions on FL, FLE and FLC, which were themselves interrelated in nature, by providing a number of viewing angles, and these angles have been represented in the diagram above.

Each of the data source was in turn related to other data sources in a number of ways. For example, FLPs surveyed in phase 2 of the research were also observed in their role as facilitators of classroom learning and also subsequently interviewed formally or interacted with informally, and some of them took part in curriculum exploration. Interrelationships of data sources provided opportunities for attaining more complete and richer understandings.

As highlighted by Greene et al. (1989) five major purposes were served by the mixed-method design: triangulation, development, initiation, complementarity and expansion. Triangulation tested the consistency of findings obtained through different methods and instruments. Secondly, results from one method developed and shaped subsequent methods and steps in the research process. Initial surveys, for example, suggested that other assessments should be incorporated. Thirdly, new research insights were initiated/stimulated. In-depth interviews with FLPs, for example, provide new insights on FLE. Fourthly, results from one method were clarified and complemented with the use of another method. In-class observation, for example, added to the information gathered from surveys. Finally, the integration of procedures mentioned above provided richness and detail, expanded the breadth of the study and enlightened the more general debate on the development of FL and the role of the government and other bodies in this process.

1.2.2 The empirical setting: 'the real world'

Having been a financial services industry practitioner in the 'real world', I desired that my study should benefit from real-world exposure (Robson, 1993:1). The 'real-world' problem of misbuying was the catalyst for thinking about the financial services consumer. On the one hand, the consumer was subject to the pressures and advice of the financial services provider, and the level of FL could help in coping with these pressures. On the other hand, the consumer could also be subjected to FLE, and the level of FL could improve as a result of such an education. The empirical setting for the enquiry was therefore located in the real world where financial services and FLE might be on offer.

While FL and FLE were clearly issues not limited to one country or people, a conscious decision was made to limit the setting to the national context, and mainly to England. England, and more specifically London, constituted a large part of my professional context. The choice of the empirical settings was an outcome of my own past and present professional contexts.

I also adopted a deliberate strategy to locate my research within the context of research issues being addressed by relevant and reputed organisations in the field. While this lent an “opportunistic flavour” (Robson, 1993:294) to my research, such a flavour had already been recognised and accepted by researchers as part of the process of real world research (Buchanan et al., 1988). I felt a need to function within a network held together by a common interest in FL, and to thereby add credibility to the research exercise. Professor Karen Evans, who had undertaken studies on initiatives intended to improve the literacy, language and numeracy skills of adults through workplace-linked tuition (Evans and Wolf, 2003), provided the first contact which was eventually to act as a catalyst for a number of other contacts. This initial contact commenced in the form of email correspondence with Jim Soulsby (2001) who organised FL projects within NIACE, and opened doors to the world of FL activities and research, facilitating and securing the support of NIACE for generating data for exploring the nature of FL. This contact led to further contacts within the FSA and from there to HM Treasury. Interactive feedback was obtained as a participant at an HM Treasury seminar on FL, during the course of a presentation of online material commissioned by the government to aid in the financial education process. I was invited to deliberate on FL issues by joining as a member of the FSA/NIACE Advisory Group on Financial Literacy and Older People that was to be newly constituted. Meetings of this Working Group provided opportunities for interactive feedback from key informants. The FSA provided a further contact with the Australia and New Zealand Banking Group (ANZ) which had carried out a national FL survey of the Australian population (RoyMorganResearch, 2003). Contact provided by Professor Evans with the National Research and Development Centre for adult literacy and numeracy (NRDC), of which she herself was a Board Member, led to the engagement with the FL mapping project as a member of the research team. Contacts were also developed with organisations such as Toynbee Hall that were involved in the development of FL directly as well as in collaboration with my own organisation London Metropolitan University (LondonMet).

Thus, a number of relevant contacts were made in the course of and for the purpose of this research. These contacts continued to develop over a period of time in an iterative and interactive manner. The aim was to inform and be informed by 'real world' organisations such as the FSA, NIACE, NRDC, BSA and Toynbee Hall. This involved negotiating access to certain organisations, individuals and data by establishing contact with individuals from whom it was necessary to obtain permission. For instance, Jim Soulsby authorised the collection of data from the questionnaires administered by NIACE and for analysing the data to arrive at conclusions. Similarly, permission for using/adapting survey research questions was obtained from the ANZ Bank. One-to-one meetings were arranged at the offices of the FSA (2002) with the Manager of the FSA Consumer Education Team, who indicated interest in the research as it might lead to insights on the feasibility of measuring FL. This further reinforced my conviction that my research subject was one that was worth pursuing in a real world setting.

1.2.3 The research approach: inductive and grounded

The nature of the research was exploratory; it aimed to gather information that would help define the problems and suggest solutions (Kotler and Armstrong, 2004). There was no intention to carry out any hypothesis testing process. I considered grounded theory as offering the most appropriate approach for the purposes of the research. I adopted grounded theory procedures⁴ which "were designed not to be followed dogmatically but rather to be used creatively and flexibly" (Strauss and Corbin, 1998:13) as appropriate. Data was collected from real world players and real world situations, and was thus grounded in reality. I was aware that it would not be possible to plan in advance for every possible contingency that might arise during the research process. Grounded theory principles entailed making "choices and decisions" about "data collection, analysis, interpretation" at every stage of the research (ibid:29). The data collected during the first phase of the research was coded and analysed with the aid of NVivo qualitative research software. During the second phase of the research, which also involved a process of open coding to detect underlying themes, SPSS was chosen as an application that was more suitable for the analysis of a combination of quantitative and qualitative data. SPSS permitted a coding system for open-ended questions as well as quantification of almost all types of data. The

⁴ See Appendix 18 for illustration of signposts derived from the grounded theory approach

third and final phase of the research evolved from the first two phases, and involved more emergent rather than imposed structures (Wilson, 1999).

This process of data collection and analysis eventually led to and facilitated theoretical interpretations, and the interpretive findings used to construct a theoretical model. Formulation of theoretical interpretations of empirical data provided a means both for understanding the world 'out there' and for developing action strategies that would allow for some measure of control over it (Strauss and Corbin, 1990).

1.3 The Rationale and Research Design

Research designs are 'master techniques' (Kornhauser and Lazarsfeld, 1955), and it was helpful to draw up a broad framework for exploring the research problem. I moved from research objectives at the conceptual level to research questions within an empirical setting. I had to ask practical questions like: "How to proceed?" and "How to do it" (Ghauri and Gronhaug, 1995:60). The specific details and practical aspects of the project needed to be worked out. The inductive nature of the research implied a comparatively loose research design that allowed for successive research activities to influence the overall research framework. I structured the research in a flexible manner and allowed it to evolve over a period of time.

Adult FL being the subject of my research, the FL of the consumer of financial services as perceived by the financial adviser became the focus of the first research question, and the empirical setting comprised financial advisers who were expected to be in a position to evaluate the nature of FL demonstrated by financial services consumers. FLE as perceived by the financial education provider became the focus of the second research question; the empirical setting comprised FLE providers who were in a position to evaluate the nature of FLE being offered to financial services consumers. The components of FLC being the focus of the third research question, the empirical setting comprised individuals who had received as well as offered curriculum inputs that intended to promote FL.

1.3.1 Research question 1: What is financial literacy?

The first research question was 'What is FL?' It seemed most appropriate to address this question to financial advisers (FAs) rather than to the consumers of financial advice. FAs were considered to be an appropriate group of people able to evaluate FL as their

occupation was geared towards addressing any deficiencies and finding possible answers. FAs needed to be financially literate themselves in order to be able to advise others on financial matters. Financially literate advisers appeared to be better placed to recognise the presence or absence or degrees of FL than consumers who were likely to be a more heterogeneous group demonstrating varying levels of FL in their financial decisions. I drew up the following criteria for the individuals that I would survey for the purpose of answering the first question. They would belong to an organisation that offered financial advice, and they would have had occasion to offer financial advice to individuals. They would have had the experience of listening to individuals dealing with financial issues and problems. They would, therefore, have had opportunities to recognise FL in their clients. Their organisations did not need to be similar in size, as a variety of FAs operated in a variety of environments, and a variety of organisations would be desirable. Individuals from a broad range of financial organisations would provide their perceptions and facilitate the identification of any emergent themes. FAs would also be best placed to identify important financial issues that were relevant in real life situations. FAs were likely to be aware of people's specific problem-solving strategies used day-to-day in relation to financial matters. They were likely to have produced specific literature/materials on finance and used information technology (IT) to inform people about financial matters. Their comments about FL could be expected to throw light on the question: 'What is FL?' The findings could then be triangulated with findings from subsequent research.

I felt that an open-ended questionnaire, preferably administered by a reputed organisation, would secure a reasonable range of responses from relevant FAs. Open questions would facilitate the emergence of common themes. Consonant with the strategy to inform and be informed by real-world organisations, I examined the work being currently undertaken and planned to be undertaken by organisations active in the area of FL. Opportunely, NIACE had just administered a mail survey to a group of FAs and requested me to analyse the data. I considered the situation carefully. In research practice it was acceptable to borrow questions and even entire questionnaires and use them for one's own research purposes. It was also acceptable to enlist the support of other organisations such as MORI to administer surveys and to even analyse the data for the purpose of one's specific research objectives. In this instance NIACE had administered the survey but had not done anything beyond that stage and actively sought my assistance for carrying out the investigative analysis. I decided that rather than send another very similar survey to FAs and run the risk of a lower

rate of response, it would be appropriate to use the questionnaires administered by NIACE for the purposes of my research and at the same time play a role, in collaboration with NIACE, in the advancement of understanding about FL. The survey fitted well with my research design, and NIACE were happy to pass on the responses to me for analysis.

On receiving the questionnaire responses, I performed a series of tasks: data entry, coding, analysis and report writing. I undertook a course in NVivo software and also trained myself with the help of the instruction manual for the software. I typed up all the 103 handwritten survey responses in Word and then converted these to Rich Text Format. I then imported the documents into NVivo, classifying each document according to type of organisation, and carrying out section coding of all 103 documents, enabling each section or question to be grouped together. Thus, all responses to question 1 to 9 were converted as nine separate documents, each document containing responses to a single question. This facilitated focusing on responses to one question at a time and identifying underlying themes. I coded responses and constructed 'trees' of data in order to facilitate the emergence of possible themes. A summary of the NVivo analysis is furnished in Appendix 4.

The analysis provided insights into some perceptions about the nature of FL. Even questions that might be deemed to be tangential to my research question yielded useful data as I was trying to discover rather than control variables (Strauss and Corbin, 1998). A key feature of the survey was to ascertain thoughts and views about FL in general and the meaning assigned to the phrase 'financial literacy' in particular. The survey helped to ascertain what were considered to be the most important financial issues, what could be done to discover or address these issues, what might be the specific problem-solving strategies used day-to-day by individuals in relation to financial matters, and what, if any, literature/materials on finance were aimed at consumers. The survey analysis provided some answers to these and other questions and thus helped to achieve a better understanding of what might constitute FL.

1.3.2 Research question 2: What is financial literacy education?

The second research question was 'What is FLE?' It seemed most appropriate to address this question to organisations that considered themselves as the providers of FLE. FLE providers were considered to be a group of organisations able to understand the nature of FLE as they were engaged in providing such an education to the public through relevant

inputs. I drew up the following criteria for the individuals that I would survey for the purpose of answering the second question. They would belong to organisations that purported to offer FLE. They would have drawn up courses or training programmes that incorporated FLE. Their organisations did not have to be similar in size or amount of resources commanded, as there were a variety of FLE providers operating in a variety of organisations. Individuals from a broad range of financial organisations would be asked to provide their perceptions to facilitate the identification of any emergent themes.

Consonant with the strategy to inform and be informed by real-world organisations, I once again looked around to see the work being currently undertaken by organisations active in the area of FLE. Opportunely, NRDC had just been asked by the DfES to undertake a mapping project of FLE and requested me to participate in the research project. I considered the situation carefully. The project fitted well with my second research objective. Subsequently, the report of the upgrading panel invited my attention to “a new project...on financial literacy” (Howard, 2006), again directed by Coben (2007), which validated the view that such projects were relevant. I needed to design a questionnaire to map the provision of FLE, administer it, analyse data and write up a report. I observed that the organisations providing FLE could be classified under two major categories: the education sector and the community sector. I was aware that there was a third sector, the commercial sector. Having worked in the commercial sector myself, I was aware of financial training within the sector. However, what was provided in the commercial sector seemed to amount to a limited form of employee assistance programmes frequently hijacked by financial services providers wishing to promote their own financial products. I therefore excluded this sector from my study and requested NRDC to allocate any research pertaining to this segment to another researcher. I focused my attention on the education and community sectors. Local Learning and Skills Councils (LLSCs), Local Education Authorities (LEAs), BSA, NIACE, the University for Industry (Ufi), colleges and universities were organisations which could be classified as belonging to the education sector. Housing Associations (HAs), Credit Unions (CUs), Community Development Finance Institutions (CDFIs), Citizens Advice Bureaux (CABs⁵), voluntary organisations and charities belonged to the community sector.

⁵ While these organisations themselves pluralise ‘CAB’ as ‘CABs’, this thesis adopts the ‘anglicised’ version of ‘CABs’ as being more readable and pronounceable.

I decided that a cross-sectional survey would enable me to ascertain the nature of FLE as these organisations understood it. The providers of FLE would be best placed to describe the types of FLE programmes that were being offered and their key characteristics. They would be aware of the subject areas that were covered within their FLE provision. Their course outlines would shed light on the nature of FLE. They would be able to describe the types of people who provided FLE, their qualifications, any accreditation or qualifications awarded for the courses, the reasons for the development of these programmes, and their future plans. These and other general comments about FLE made by FLE providers would help to answer the question: 'What is FLE?' The findings could then be triangulated with findings from prior and subsequent research.

I devised a draft template for collecting data. Under each category of information, possible options were indicated. After obtaining feedback from the NRDC, BSA and some of my research colleagues at LondonMet, I converted the framework into questions. I structured the questionnaire as a combination of tick-boxes and open-ended questions. It was hoped that this would facilitate both answering and analysing the questionnaire. I administered the questionnaire via email. What were the key characteristics of FLE? What were the subject areas that were covered? What were the contexts/settings within which FLE was offered? What progression routes exist for learners on these programmes? Where did the education take place? The survey provided some answers to these and other questions and helped to achieve a better understanding of FLE.

1.3.3 Research question 3: What might be the components of an effective financial literacy curriculum?

Observation of FL courses for FL tutors as well as end-users was envisaged for this final part of the enquiry, which was informed by the findings from the first two investigations. The first phase of the research seemed to indicate that FL involved characteristics such as knowledge, understanding and confidence. The second phase of the research seemed to indicate that FLE was diverse, probably because FL educators themselves had varying levels of FL with little or no specific training for facilitating such literacy. There seemed to be a need for teachers of FL to be trained (Duke, 2005). It therefore seemed appropriate to explore the development of an FL curriculum, informed by the earlier phases of the research, as a form of FLE for FL educators. The exploration of such a curriculum as part of

my practice provided a resource for the research. It seemed appropriate to address the third research question, which was 'What might be the components of an effective FLC?', not only to participants of FL courses for end-users, but also to FL educators or FL practitioners (FLPs), who had participated in FLE programmes themselves, as this population more than any other was likely to be knowledgeable about both FL and FLE.

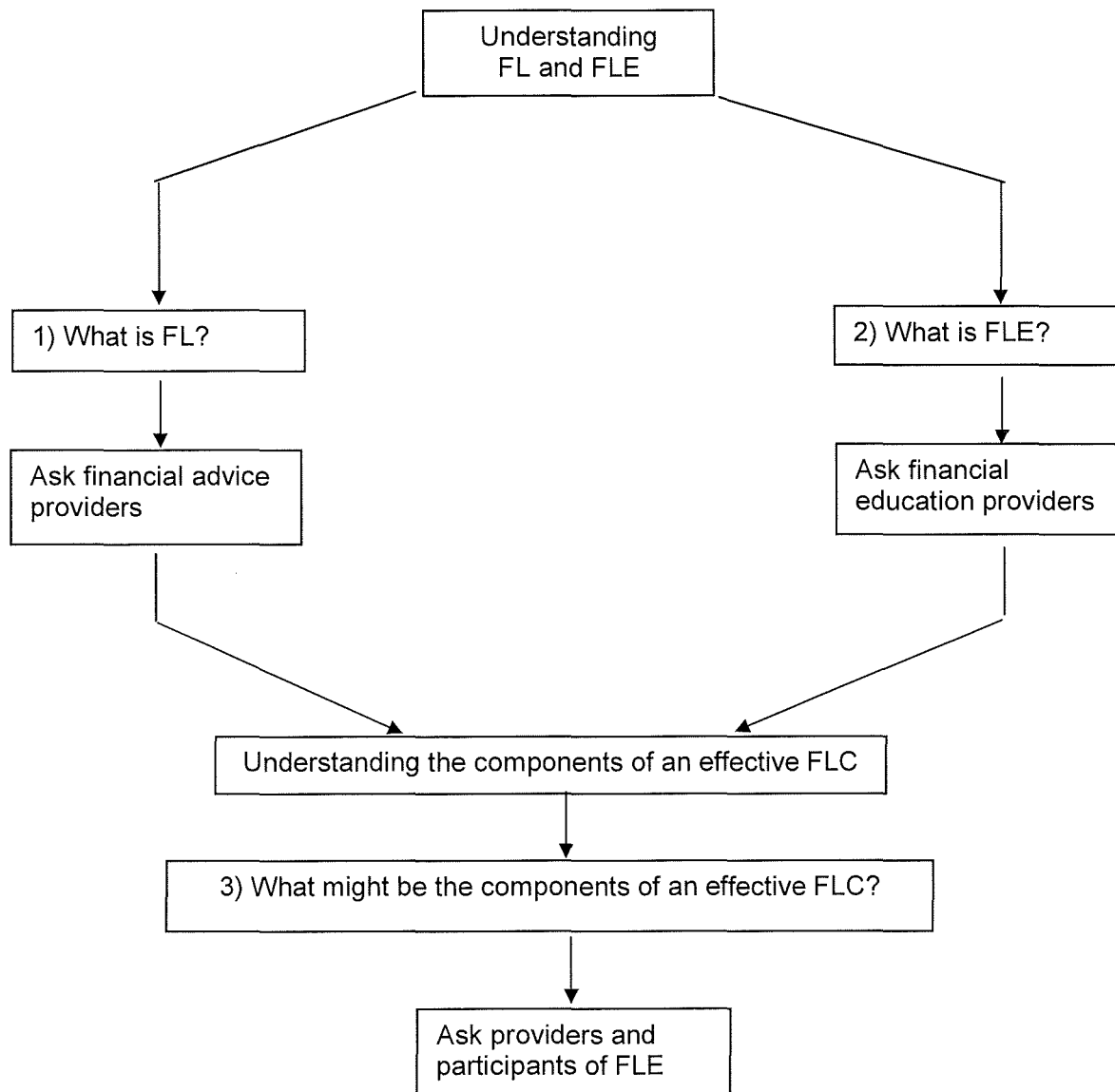
Exploring an FLC as a part of practice and obtaining research insights from that practice was an iterative process. From September 2002 all new 'teachers' of adult literacy and numeracy were required to work towards a subject qualification at level four (FENTO, 2002), which was equivalent to level one of a degree programme, which I was well qualified to write as a university lecturer. I acknowledged that a complex combination of both internal or institutional demands, and external or societal demands would influence the curriculum development process (Crowder, 1997). I planned to fit this curriculum within the categories developed by Bristol University's Professor Kempson for the FSA's baseline survey of financial capability (FSA, 2006b); the survey seemed comprehensive in identifying the various strands of FL and it seemed logical to use these as categories of FLE; arguably this would be the first time an FLC was attempted to be developed for FLPs at Level four, and the first time the FSA's baseline survey used for categorising an FLC. The interplay between research and practice produced a new curriculum synthesis which served as a tool that enabled me to examine the framework and components of an effective FLC. The curriculum exploration included observation of FL courses for 'teachers of teachers of FL', 'teachers of FL' and 'end-users', and provided data and samples as well as insights for argument and analysis.

The three strands of the study were wrapped up with a more qualitative investigation involving the generation of interview-based data. Interviews involved the observation of classes from which I could identify individuals willing to be interviewed. Observation in turn led to the identification of issues in FLE and the exploration of FLCs. Thus the research project that initially started with surveys led to observation, interviews and participative interaction in an iterative as well as evolutionary process of exploration. The interweaving of several research methods provided triangulation opportunities that I hoped would lend assurance to the research findings.

1.3.4 Overview of research design

In summary, what evolved was a research design made up of a series of data collection stages and processes as indicated below:

Figure 3: The research design



The table below indicates some of the related questions that the various research instruments needed to ask in order to find answers to the main research questions.

Figure 4: The problem and research questions

The context:	The perception of inadequate FL as a major factor contributing to the misbuying of financial services		
The research problem:	The need to understand FL and FLE prior to their development and the need to identify the components of an effective FLC		
The research objectives and research questions:	Understanding FL	What is FL? Survey 1	What is your understanding of the term FL?
			What are the specific strategies for problem-solving used by people day-to-day in relation to financial matters?
			Have you any comments on FL?
	Understanding FLE	What is FLE? Survey 2	In your view, what is FLE?
			What types of FLE programmes are offered and what are their key characteristics?
			What are the areas covered by FLE?
	Understanding the components of an effective FLC	What might be the components of an effective FLC? Curriculum exploration Observation of courses Interviews Participative interaction	In your view, what should an effective FL course curriculum consist of?
			[Re the course attended recently] What should be left out? What should be included/added?
			What do you think FLE should include to make a difference?

The ultimate aim was to integrate findings from the six major data sources to find answers for the three research questions. I tried to remain close to my data as it was being generated.

1.3.5 Sampling, data collection and analysis

The sampling plan was such that it would not be possible to specify the probability that any person would be included in the sample, and hence could be best described as non-probability sampling. The disadvantage was the consequent limitation in the generalisability of research findings. On the other hand, small-scale surveys were commonly known to employ non-probability samples, and these were less complicated to set up. The sampling plan involved using one's judgment to achieve the particular purpose for which each survey was intended and could be called "purposive" sampling (Robson, 1993:141). There was also a deliberate strategy to select a range of organisations with differing characteristics that would constitute "heterogeneous samples" (ibid:142). Data was collected over a period of eight years in a number of stages. The first questionnaire survey of financial advisers for the purpose of ascertaining the nature of FL was primarily carried out in England, though a few responses from Wales were also considered. The subsequent survey to ascertain the nature of FLE was limited to England. The final stage of the research, which sought to ascertain the components of an effective FLC as well as triangulate earlier research findings, was set among FLE providers and participants in England who had been identified as such by means of the second survey.

Details of sampling and methods of analysis are summarised below.

Table 1: Sampling and methods of analysis

	Sample	Sample size = n	Tools of analysis
What is FL?			
Survey 1 to understand what is FL	FAs	103	NVivo qualitative research software
What is FLE?			
Survey 2 to understand what is FLE	FLE providers	65	SPSS statistical research software
What might be the components of an effective FLC?			

Observation, curriculum exploration interviews and participative interaction to understand the components of an effective FLC	FLE providers and FL course participants	Observation of courses: 6 (three were 2-full-day courses; two were 8-week 2-hour sessions; one was a 2-hour session) Interviews: 27 Participative interaction with key informants: 30 or more.	Qualitative analysis with the aid of field notes and digital recordings of interviews
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Further details of samples are discussed in the relevant chapters.

The samples outlined above were not perfect. To what extent could I generalise the findings from these samples to the entire population? The findings might be applicable to the sample alone rather than be representative of any larger population. This drawback was present in any study of samples. Another danger I had to keep in mind was one of spurious accuracy. Computer software such as NVivo and SPSS, while making data analysis and information retrieval considerably easier, could cast a spell of 'mathematical magic' (Alkin, 1988:323) creating an illusion of mathematical accuracy that might be spurious and leading to coercion of conclusions that might not be accurate. It was necessary to keep this danger in mind and to look at broad underlying themes rather than focus on details and decimals.

Consonant with the inductive nature of the research, sampling choices evolved "through successive waves of data collection" (Huberman and Miles, 1998:204) in accordance with the grounded theory approach adopted for the research. "Theoretical sampling" involved going "to places, people or events that will maximise opportunities to discover" characteristics and themes (Strauss and Corbin, 1998:201); subject to constraints of time, resources and availability of participants, data collection would continue until "theoretical

saturation” took place, that is, it was felt that any new data would only add in a minor way to the major patterns that emerged (ibid:158). ‘Theoretical sampling’ included looking into FLPs’ reflections on their own experiences as educators and individuals as well as those of their ‘students’/clients in FL courses/programmes. The overall purpose of the research was to contribute towards the development of a form of FLE that might facilitate more effective FL outcomes.

1.3.6 Ethical considerations

Ethical dimensions of the research were carefully examined and set out in the Ethical Approval Form⁶. I took care to observe ethical principles in the research; for example, I informed people fully about the nature of the research as well as obtained their consent when involving them in the investigation (Kimmel, 1988). Ethical dimensions are discussed further in section 8.3.

As regards observation of FL courses, I was aware that potential ‘observer effects’ might influence the research subjects to behave differently. For the courses offered by others, I adopted a strategy of “minimal interaction with the group” (Robson, 1993:208) such that apart from obtaining the initial interview forms there was hardly any interaction with participants. My role was both undisguised as well as “unobtrusive” (Adler and Adler, 1998:102). For the courses offered by me, participants seemed to view me as the course facilitator rather than a researcher. I was not a stakeholder who might affect or be affected by any of the groups, and no one had reason to have any vested interest in my research.

The course which I both offered and observed threw up particular ethical issues. I was more of a ‘participant’ in this course than the others I had observed, in a manner similar to the research that had been carried out by Diane Reay (1998) on the schools where she herself was a teacher, and in one of which her own children were students. I was “intervening in the social world...as a means of getting closer to the authenticity of situations” (Grenfell and James, 1998:154). I viewed this ability to intervene as an opportunity presented by my situation as a university lecturer and member of bodies engaged in informing FL policy. However, I needed to be aware of my ethical position as a researcher undertaking research

⁶ See Appendix 18.

within my own organisation. Researching my own practice might involve “a lack of impartiality, a vested interest in certain results being achieved and problems concerning a fresh and objective view of data” (Costley et al., 2010:6). I was aware of the need to be particularly careful in making my initial observations as well as paying attention to what these participants had to say in subsequent interviews. As regards the issue of my relationship with my research subjects, they were “able to...leave the context of [my] research space” (Costley and Gibbs, 2006:89) after the two-day course period was over and our relationship was fairly transitory; their course feedback had no implications for my career as the course had been held separately under the auspices of a department distinct from my own; and there were no “power issues” (ibid:95) as my evaluation had no power over their careers, unlike another course offered by a national body which had also served as a job selection process. Would participants have hesitated to provide negative feedback to me on a course that I had offered myself? I emphasised the benefit I would derive by both positive and negative feedback, and such feedback seemed to be freely given; indeed, I encountered some very vociferous and virulent criticism of my course, given freely as I was not a stakeholder in any group. During the research process, I was conscious that I needed to work within a methodologically ethical research framework.

Finally, there seemed to be another ethical dimension to the research based on the research context. I encountered ethical issues in relation to the financial services industry which seemed to engage in unethical behaviour that might have implications for researchers, FLPs and other stakeholders. These implications also needed to be borne in mind during the research process.

1.4 Conclusion

The research process was characterised by what has been described as “reconstructed logic” (Silverman, 1985:4); the logic and rationale emerged as the study progressed. The research project originated from a general concern about the widespread occurrence of misselling/misbuying of financial services; inadequate FL was perceived to be a major causative factor for the misbuying of financial services, and inadequate FLE was perceived as contributing to low FL. There was some, though not much, prior literature on FL. The distinctive nature of this research project lay in its approach and focus. Prior literature revealed a general tendency to go straight towards resolving the problem of lack of FL without pausing to reflect on the nature of FL. Similarly, there was an eagerness to develop

FL materials and to provide FLE without devoting adequate attention to examining what such education comprised or ought to comprise. The attempt here was to focus on a gap that seemed to exist between need recognition and problem solving. Therefore, the questions formulated for this research were consciously framed in simple terms, and sought to address some fundamental issues left largely uncovered by those seeking immediate solutions. Three questions were asked: (1) What is FL? (2) What is FLE? (3) What might be the components of an effective FLC?

The research design was comparatively loose and emergent as might be expected from the inductive nature of the study. The first phase of the research seemed to indicate that FL involved characteristics such as knowledge, understanding and confidence. The second phase of the research seemed to indicate that FLE was diverse probably because there was "a very wide diversity of experience and qualifications" (Lucas et al., 2004:6) among FL educators themselves who had varying levels of FL with little or no specific training for developing such literacy. Arising from these findings an FLC was explored as a form of FLE for FLPs. FLE for FLPs seemed rare, and such FLE above school-level seemed to be virtually non-existent; there was a gap that could be addressed in the context of the third research question; it seemed appropriate to address this question not only to end-users but also to FLPs undergoing FLE programmes themselves, as the latter group was likely to be knowledgeable about both FL and FLE. There had not been any studies assessing the efficacy of FLE offered to FLE providers. This study attempted to introduce a data/sample source that seemed to be absent from previous enquiries, and possibly contribute to the development of theory in relation to FL, FLE and FLC.

The research methods, research instruments and even the research questions evolved over time. Each research method adopted is further discussed in relation to this research in the appropriate sections that follow. My approach and philosophy were pragmatist, and based on "practicality" and "utility" (Greene, 1998:376). Like Patton (1990b:39), I believed in "a paradigm of choices" in relation to the purpose of the enquiry, the resources available, and the questions investigated. I had undertaken a preliminary literature survey to help identify what needed to be researched; I now had to revisit and interrogate literature iteratively to address the research questions which reflected the main facets of the empirical domain that I wanted to explore.

CHAPTER 2 LITERATURE SURVEY

*Annual income twenty pounds, annual expenditure nineteen nineteen and six,
result happiness.*

*Annual income twenty pounds, annual expenditure twenty pounds nought and six,
result misery.*

-Mr Micawber in 'David Copperfield'

Could the difference between happiness and misery be no more than a matter of twelve pence? Clearly, income, expenditure and financial well-being would have been subjects of interest even prior to the times described in 'David Copperfield' (Dickens, 1850). However focused research on FL seemed to be of comparatively recent origin. The early studies were initiated by financial services practitioners. The phrase 'financial literacy' made its appearance in the UK only in 1992 in a study sponsored by NatWest bank. The 1990's saw the emergence of a few scholarly studies in the field. By the dawn of the twenty-first century interest in the subject became more widespread and further studies followed. In 2008 and 2010, the Journal of Consumer Affairs brought out special issues focused entirely on financial literacy. The increased interest could be largely attributed to new legislation and public policy debate following financial 'misselling' scandals that had received wide publicity. A series of reports gave rise to public funding for FL initiatives, which in turn led to the development of materials by a diverse range of organisations with the intent to improve the FL of individuals. Simultaneously the financial services industry, forced to defend itself against allegations of misselling, started developing defensive strategies that included researching FL and examining its implications for consumer satisfaction and the marketing of financial services.

Perhaps this relatively recent interest in FL accounted for the absence of any major papers that reviewed prior literature in the area. Literature reviews that existed were comparatively brief and restricted to the particular context identified by researchers for their research themes. These reviews were based mainly on studies conducted in the USA and Australia. There did not appear to be any comprehensive and up to date research synthesis on this topic in the UK (Avramidis and Norwich, 2004).

2.1 The review process

The problem of financial 'illiteracy' seemed multidisciplinary in nature, ranging across finance, sociology, psychology and education. The theoretical space within which the subject of FL was located appeared to be vast. The search for focus involved an iterative process. Initially literature review was a starting point for gaining knowledge about the problem area identified. This knowledge helped to identify research questions, which in turn lent focus to further literature review. The process of focusing involved conscious decisions to concentrate on certain areas and ignore others.

As a practitioner-researcher, I believed in integrating academic and professional knowledge (Scott et al., 2003). ZETOC, the British Library table of contents, provided a broad overview of various types of articles relating to FL. Having been a financial services professional, I decided to start my investigation with professional studies on FL. Business, banking, insurance, marketing and other magazines aimed at various types of professionals featured a number of articles drawing the attention of the professions to the lack of consumer FL and suggesting that organisations needed to play a role in promoting it. In the *Financial World* aimed at British bankers, Higney (2002) reported on the limited understanding of financial products displayed by customers. Hoare (2003) was similarly concerned about the low rate of FL in the UK and was of the opinion that the 14-19 generation should be encouraged to take numeracy seriously, and that financial institutions could play a role in the classroom towards promoting FL. FL seemed to be equated with the amount of financial information known to an individual, and the writer seemed to assume the position of arbiter of FL levels. Some other examples were: Mitchel's (2003) 'Should you improve consumers' FL?', Stillwell's (2003) 'Financial Education Partnership: FL should last beyond school years' and Coles' (2001) 'Financial literacy: an impossible dream?'. In the USA, *Barron's-National Business and Financial Weekly* featured an article with the self explanatory title "Child's Play-The odds are your kids don't know much about money other than how to spend it. Thus, the new buzzwords: 'Financial literacy'" (Blumenthal, 1998). *Management Today* (2003a) documented the need for children in Australia to emerge from school with FL. These publications seemed to be aimed at creating awareness of the need for consumer FL, assuming that it was something that was good as well as something that was lacking. These were publications aimed at professionals in the financial services industry, and the target audience affected the content of their reporting.

Having gained an initial overview of what was known about FL from professional literature, I set about searching scholarly research databases for articles relating to FL and FLE. Attempt was made to contact the authors directly and obtain print copies of articles where these were not readily available on the web⁷. I attempted to identify criteria for selection and inclusion in the review. I initially commenced with an examination of general literacy concepts, but quickly moved on to the specific concepts of FL and FLE; this meant I had to exclude some work that might refer to literacy or numeracy in a more generic manner. Secondly, I noted that previous reviews were confined to a limited number of countries, primarily the USA. Notwithstanding the location of my own research in England, I decided to include studies from as many national contexts as possible. I considered this appropriate in view of a presumed universality of human nature as well as the limited and recent nature of research in the area. Thirdly, time served as another initial criterion. I noted that studies conducted prior to 1990 were in general automatically excluded as the term FL had been coined only in the 1990s, and the study of FL had gained momentum only after a further decade had elapsed. Fourthly, though my primary focus was on peer-reviewed scholarly articles, I did not totally exclude other papers that fell outside that category. The reasons were the somewhat limited number of peer-reviewed articles that were available to me at the start of my research as well as the fact that peer-reviewed articles themselves generally referred to these other publications within their studies. For example market surveys such as those conducted by Jumpstart Coalition in the USA and ANZ Bank in Australia as well as statutory initiatives spearheaded by regulatory bodies such as the FSA were widely cited in many publications. I therefore decided to include references to major statutes and market surveys. Finally, I decided to exclude the studies on FL conducted in specific relation to certain specialised forms of knowledge such as IT and library science. The search for focus was a continuous process.

2.1.1 Literacy: multimodal, multidisciplinary and multidimensional

I recognised the complexity of the study of any form of literacy be it in relation to the learning of computers or Spanish or finance. On the one hand the term literacy seemed to be used in a ubiquitous manner, and seemed to embrace many aspects and nuances. On the other hand the development of literacy was shaped by different norms and experiences of

⁷ See for example Danes et al, 1999 which was kindly mailed to me by the principal author

different people, and it seemed to mean different things to different people. I found literacy to be a concept that was multimodal, multidisciplinary and multidimensional.

Firstly, literacy was multimodal. It embraced print literacy, telephone literacy, speech literacy, computer literacy, web literacy and more as new forms of media emerged with the passage of time. Should these be viewed as separate forms of literacies? One individual might be speech literate and adept at seeing through the presentation of a financial adviser but unable to make complex financial calculations or search for the best offer on the internet. Well-developed people skills and networking skills might be accompanied by a relative lack of technical skills. FLE would embrace both formal and informal modes of learning, and include learning attained within various social contexts: at home, at educational institutions and at the workplace. The multimodality of FL and FLE and the resultant complexity had to be recognised. My intention was to remain open to different aspects that might emerge due to this multimodality. Further, in my view there was a great deal that was common within these varying modes. While acknowledging that literacy in one mode was not necessarily an indicator of literacy in all modes, I hoped to garner data that would be broad enough to encompass a variety of modes. Like Barton (2001) I wished to argue for a broad interpretation of what was meant by literacy and willing to accept fuzzy borders in order to understand links and similarities.

Secondly, there were the inevitable complexities that arose from 'inter-disciplinary collaboration' (Barwell et al., 2005), the mingling of different disciplines in one subject area. It would be difficult to conceive of FL as a single discipline: there were elements of literacy, numeracy, finance, sociology, psychology, neuro-science and philosophy all inextricably intertwined. Recent research in the field of neuro-science suggested that issues relating to financial matters were dealt with in the same part of the brain that dealt with basic survival; financial acumen was very much a matter of survival in the modern jungle. FL seemed to include the ability to read and write, the ability to deal with numbers, the ability to manage money, the ability to deal within social networks and the ability to think clearly and coherently. I acknowledged that FL could embrace and overlap many disciplines; the resultant complexities could lead to great challenges, but I could also see potential rewards in being able to understand it better.

Thirdly, there was the dimension of 'space' or location. Literacy needs might differ depending on whether one was located in a command economy or in a free economy, in a country that was deemed to be developed or developing or undeveloped. While my own study was located in England and sought to achieve focus by looking at individuals in a free and developed economy, literacy needs might differ even within the same country or economy. The needs of a student in college might differ from those of an employee at the workplace. It would be reasonable to assume that FL needs would differ depending on where the individual was located. The needs of an aging pensioner in a care home might be very different from those of a youthful student in student accommodation. FL would need to be demonstrated by individuals as they attended to needs and issues in the different locations in which they found themselves. From this perspective the study of FL would be very complex as the natural complexity of attending to individual requirements would be multiplied by the nature of day-to-day living and multiple locations.

Fourthly, and linked to space, was the dimension of time. An understanding of the financial world could contribute to FL and it was therefore necessary to look at the nature of the financial world. Should we view this financial world as something fixed and permanent where changes were merely alterations of some basic underlying reality that remained unchanged? Or should we in the manner of Heraclitus⁸ view the financial world as undergoing constant change? If we agreed that in today's complex financial world change was the only constant, FL might also be subject to constant change. The continuation of FL at one stage in a static manner would automatically lead to such literacy being rendered obsolete. On the other hand if we viewed FL as a process rather than as something static, FL could endure even while undergoing constant change.

Fifthly there were the physiological, neurological and philosophical dimensions that made people behave differently in similar circumstances. Even if a hypothetical identity of circumstances were to be assumed, financial decisions would be different depending upon the philosophical approach adopted by the individual: the Socratic questioner might seek the most appropriate solution and earn the right to be called a financially literate individual; however, the epicurean might believe in loans and immediate gratification and claim to be

⁸ c.535-475BC

successful from the point of view of immediate consumption; the stoic might accept his lot without attempting change and feel that success had been achieved by rising above one's financial circumstances. Fama's (1998) efficient market hypothesis was linked to the concept of investor rationality. The assumption was that given the level of risk investors would prefer higher returns and given the level of returns investors would prefer lower risk. But were all investors rational? What about the ethical investor who preferred investing in ethical products even if the returns were lower? What about the gambler who craved the adrenalin rush of playing for all or nothing? What about the manic depressive who gave away all his wealth in a stroke of grandiosity? What about the follower who simply followed what he thought others were doing? The existence of a herd instinct was well known and this could drive people to thoughtlessly emulate what other people were doing. People were characterised by varying degrees of rationality. Assuming a broad spectrum of rationality, one could assume that some were more rational, others less rational and some others irrational. The level of rationality was bound to impact upon FL and the financial decision making process.

Sixthly, FL needed to be demonstrated not just within an individual context but also within a broader social context. FL embodied social features. It could be deemed to be a type of 'functional literacy' that enabled individuals to meet the complex and intricate requirements of social survival. Functional literacy had been defined as the ability to "engage effectively in all those activities in which literacy is normally assumed in [their] group" (Gray, 1956:24). Such an interpretation assumed that literacy was not something that was absolute; it was relative to a particular group or society. FL was acquired from a number of sources: family, friends, educators and employers. The home and the workplace could not be viewed as less important than the educational institution in the acquisition of FL, though non-school literacies had generally come to be viewed as inferior attempts that needed to be compensated by formal education (Street and Street, 1991, Street, 2004). FL needed to be viewed within a complex set of relationships within the immediate circle of family and friends as well as within the larger society (Barton, 1994a, Barton and Hamilton, 1998, Barton, 1994b). Financial decisions might need to be taken in the capacity of parent or child or employee. Decisions might need to be taken in collaboration with family members, the employer or the adviser. These decisions might be further complicated by differing perceptual positions: the individual, the financial adviser, the financial educator and the policy maker might view FL from different perspectives. There would therefore be a

necessity to view FL as “a process rather than as a fixed entity and as a resource rather than as a set of rules” (Street, 2005a:136).

Seventhly, social contexts might be further made complex by cultural pluralism whereby individuals of similar outlook were divided by cultural contexts. Culture has been conceptualised as what has been constructed and reconstructed within human interactions (Bloome and Egan-Robertson, 1993). Cultural values are inherent in financial matters and these could be distorted as bias (Barton and Hamilton, 2000). To some extent every society would have different views on what was important in terms of values. Even within the so-called developed and free economies, some like the USA might exhibit extreme individualism while others like Britain might value the community more. Within Britain and within England some ethnic groups might be individualistic and others more community-orientated. Within the same ethnic group different classes might demonstrate different values; the manner in which the middle classes used credit cards might vary from that adopted by working class people; financial risk for one person might not be the same for another person (Baker, 2005). Value-based cultural and ideological aspects of FL would stand in the way of any univocity or identity of meaning; in the circumstances epistemic certainty was likely to give way to the equivocality or differences of meaning (Heath, 2003). However, in another sense, culture could be viewed in a generic manner as providing explanations of class, status and power in pedagogic contexts (Grenfell and James, 1998). Bourdieu's (1977) framework of *habitus* and *cultural capital* could provide explanations of consumer confusion and exploitation as well as of status and power in the context of FL. Financial scandals, such as the widespread misselling of personal pensions in the UK from the mid-1980s could typically involve in Bourdieu's terms an 'objective complicity' between a wide variety of stakeholders and private investors whose *habitus* and lack of cultural capital prepared them for cooperation in their own exploitation (Aldridge, 1998). Cultural capital could provide an explanation of FL within a multitude of cultural contexts. The process of literacy development would have to assume a humanistic form; sole reliance on mathematical models would be inappropriate.

Arising perhaps from what has been said above is an eighth dimension: to what extent was literacy visible? Much of FL was likely to be hidden rather than obvious. Risk tolerance was considered to be one key to understanding financial behaviour. To what extent could consumers' tendencies to take or to avoid financial risk be observed or measured? The

understanding of financial risk tolerance could be muddled by myths or misconceptions: risk was not likely to be a simple one-dimensional attitude and consumers might not have an accurate sense of the amount of financial risk they were willing to take (Cutler, 1995b). Understanding the complexity of consumer attitudes toward financial risk would be difficult. Individuals were likely to deploy 'invisible' (Heath, 1983) or "hidden knowledge" (Street, 2005a:136) relevant to FL in order to accomplish their objectives. These hidden dimensions might not be capable of being unravelled completely. Inadequacies in communication and variances in conceptualisation might inevitably lead to a degree of ambiguity that cannot be reduced to certainties. It was necessary to acknowledge the ambiguity intrinsic to FL in a real world rather than try to 'clear it up' in an academic context.

Ninthly, there was also the issue of learning transfer to be considered. It involved the overlap of theory and practice. Knowledge might not be sufficient unless followed by appropriate action. FL needed to embrace not only pure knowledge but also "practice-based epistemology" (Heath, 2003:107). To what extent was the FL demonstrated in a classroom or interview situation the same as the FL that was actually demonstrated in the real world? FL as facilitated by FLPs would need to be transferred from the academic context to the real life situation where financial choices were examined and made. There might be a 'discontinuity' between the academic and practical world (Lave, 1988, Evans, 1996) thwarting any attempts at predicting human behaviour with classroom exercises. Everyday financial practices and FLE could be sharply 'disjoint' (Nunes et al., 1993); for example, decisions taken within an educational case study would not result in real loss of income as might happen in a real world situation. I acknowledged that this was a central problem in relation to most educational interventions but felt that it did not necessarily nullify academically-based activity. Further it could be argued that experiences gained in one context could influence behaviour in other contexts even if that did not happen in a mathematically accurate manner. There could be bridges between multiple, interdependent, "communities of practice" (Lave and Wenger, 1991:99), and learning in a classroom situation could be translated or transformed into other contexts when careful attention was paid to the content and method of delivering educational inputs (Walkerdine, 1982, 1988).

Many of these dimensions were related to the issue about context: could FL really be context free? To what extent was FL self-directed, independent and autonomous? Each individual came with his or her own genetic make-up and environmental influences, and the

personal circumstances for each individual would be different; even if one imagined these circumstances to be the same, the reaction of individuals to their personal circumstances would be different. For the various reasons considered above, it would be difficult to decontextualise FL. Financial meaning-making occurred at least partly within social contexts and structures. Viewed in this manner, FL became more fluid, fuzzy and shifting with "context" (Baker et al., 2003:11). There was a need to recognise "dimensions of context" (Goodwin and Duranti, 1992:6). These could include geographical settings, behaviours of participants and background knowledge based on events that had taken place in the past. One could conceptualise the dimensions of context as organised along a space and time continuum (ibid, Heras, 1995). For example, an individual would need to choose the most appropriate utility provider in the home context or choose the most appropriate pension provider in the occupational context; similarly decisions relating to student loans, child trusts and home insurance might have to be taken at different time periods in the individual life cycle. Accordingly the unit of analysis for a study could range from the present moment to a larger time span covering many moments and many years. Depending upon needs, FL could vary with the area or 'domain' of personal finance (Cutler and Devlin, 1996a). One paper described FL as the ability to read and understand basic financial statements. (McDaniel et al., 2002); in the USA the national stock exchanges and national association of security dealers required this type of FL for all audit committee members. On the other hand an individual who did not understand financial statements and never invested in the stock market might be considered financially literate on the basis of his knowledgeability about pensions, budgeting and borrowing that matched his current requirements. All aspects of FL might not be relevant to all people. FL might more appropriately mean the critical evaluation of sources of relevant information as a guide to applying knowledge to one's specific life situation. Thus FL could involve different products to different people in different stages of their lives. Its nature could differ from person to person and for the same person from time to time. It would involve the continuous evaluation of financial alternatives in changing scenarios and circumstances.

While accepting the complexity of the individual contexts in which people engaged in their daily lives, I recognised that macro aspects could exist within individual issues. Unlike the kind of microanalysis favoured by Bloome (1991) and others, a more macro approach could reveal broad commonalities. I needed to acknowledge the debate between micro and macro approaches and to take both sides of the argument into account. On the one hand

widely varied contexts and social practices might impact upon FL. On the other hand, some of the literature pertaining to lifelong learning did assume a degree of learner autonomy involving elements of personal control (Doyal and Gough, 1991) and intention to act in a way which met personal needs (Fazey, 1996). The effect of other variables such as skill (Corno, 1993) might lead to the achievement of some degree of autonomy. The concepts of human potential and the "logic of the learning individual" (Evans, 2003:7) could be as relevant to the development of FL as the context within which the individuals were located. A macro approach could establish "relationships between education and real life" by looking at the fulfilment of human potential through a "humanistic version of lifelong learning" that might enable this research to develop universally valid "master concepts for educational planning" (ibid).

Choices were constantly being made by human beings; no researcher would be able to grasp in its entirety the real world as these choosers experienced it in all its rich complexity and diversity. I had to accept that "loss of realism is an inevitable concomitant of analysis" (Drake, 1983:1). However, while analysis could result in some loss of realism, it still had potential for providing fresh insights and understanding.

To a number of researchers the word literacy was a metaphor, a figure of speech that had the potential to both subvert and promote understanding. The presence of metaphor might involve an act of inference that could not always be substantiated but could nevertheless serve some useful purpose. In a metaphorical sense literacy could signify something more than its literal meaning. For example, Luehrmann (1981:683) talked about computer literacy as the "ability to *do* computing, and not merely to recognise, identify, or be aware of alleged facts about computing." In a metaphorical sense literacy could represent some basic level of competence, something that was a universal and fundamental requirement for the survival of every individual. I wished to discover, amidst all the variations that arose from location, time, philosophy, personality, class, society, culture and context, some common underlying themes that might prove useful in a generic manner. For example, knowledge of investment strategies might not be immediately required for an individual who had no funds to invest, but knowledge of percentages, reported as widely deficient in the British population, could be useful whatever the situation or the context. In my view, an acceptance of the diversity the human financial experience did not have to lead to an evasion of attempts to find solutions that might stem from commonalities.

2.1.2 Financial literacy: definitions and themes

Having considered various dimensions of literacy as it might affect FL, I moved to a consideration of the definition of the whole phrase 'FL'. Dictionaries defined literacy as the ability to read and write (Cambridge, 1996), and as the state of knowledgeability (Merriam-Webster, 2006) in a particular field. Finance referred to the management of a given supply of money. On the basis of semantics and placed in conjunction, FL seemed to be knowledgeability in the area of money management. However, each word that helped to unpack the meaning of FL would itself be in need of unpacking. For example, what would money management entail and how could that be evaluated? If judged purely on outcome or level of wealth achieved, the lucky jackpot winner could score over the finance professional. On the other hand the finance professional was likely to score higher if the criteria were to be understanding and the ability to make meaning of his or her financial world.

The earliest known use of the term FL appeared to date from 1992, when a report for the National Foundation for Educational Research (NFER) commissioned by NatWest Bank, defined FL as "the ability to make informed judgements and take effective decisions regarding the use and management of money" (Noctor et al., 1992:4). This definition had since been widely used by a number of organisations researching the subject including the FSA and NIACE in Britain and the ANZ Bank and the Council for Adult Literacy in Australia, and served as a starting point for my investigation. Mason and Wilson (2002:27) conceptualised literacy as meaning-making and a prerequisite for the achievement of desired outcomes or objectives; they defined FL as "an individual's ability to obtain, understand and evaluate the relevant information necessary to make decisions with financial consequences". More recently, the US 'President's Advisory Council on Financial Literacy' (PACFL, 2008:2) set up 'to improve FL among all Americans' defined FL as "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial wellbeing", and the 'Rand Center for Financial and Economic Decision Making' defined FL as "knowledge" as well as "ability to use that knowledge and other financial skills" (Hung et al., 2009b:12).

An overview of research articles on FL revealed that studies could be broadly classified under four categories:

- Research documenting the FL of youth

- Research documenting the FL of adults
- Research about developing FL
- Research evaluating programmes aimed at developing FL

In order to obtain maximum benefit, the literature survey needed to be organised along the lines of the research questions. I recognised that this approach might lead to some repetition; there might be sources which were relevant to all three questions. An alternative was to organise the literature according to the nature of the sources, but this might lead to repetition of research questions. On balance I felt that a research-questions-based approach would be considerably more focused and more useful for understanding the issues being investigated. In the circumstances, prior literature was investigated in the context of the three research questions:

- What is FL?
- What is FLE?
- What might be the components of an effective FLC?

Research documenting the FL of youth and the FL of adults could logically be expected to yield information about FL. Research about developing FL could offer insights in relation to FLE. Research evaluating the programmes aimed at developing FL could contribute towards evaluating the components an FLC.

2.2 What is financial literacy?

Studies that purported to document FL generally focused on specific demographic segments, and could be broadly classified as those that recorded FL levels in young people and those that recorded FL levels in the adult/older population. My reason for looking at these studies was to see if any prior research had been undertaken in order to answer the question: 'What is FL?' It seemed logical to assume that, in order to document the levels of an attribute, a prior condition of documenting the nature of that attribute would have been met. The following major themes emerged:

- FL is something desirable and beneficial and required by consumers
- current FL levels are low
- there is an urgent need to develop FL

These themes are examined in the sections below. Overall, I detected a tendency to focus on the lack of and need for FL and to infer rather than investigate what constituted FL.

2.2.1 Financial literacy as something desirable but inadequate

If FL were to be arranged in a continuum, one could perhaps see one extreme manifested in certain religious perspectives that glorified poverty and 'worldly failure', and another extreme in malicious and bullying self-aggrandisement that bordered on criminality. However, the general view of those who had researched FL seemed to be that it was something beneficial and worth possessing, reflecting perhaps the individualistic pragmatism of 'developed' countries such as the USA, Australia, New Zealand and the UK where these studies had been primarily undertaken.

Research documenting the FL of youth generally covered varying age groups from six to twenty-four and seemed to contribute to a more general debate on how best young adults could be supported in 'taking control of their lives' (Evans et al., 2001). Some concentrated on specific educational groups such as high school pupils, college students and university students (Chen and Volpe, 1998, Tennyson and Nguyen, 2001, Beal and Delpachitra, 2003, Varcoe and Fitch, 2003, FSA, 2004). These studies consistently portrayed FL as something desirable but inadequate.

In the USA, Chen and Volpe (1998) examined the personal FL of 924 college students, and its impact on their opinions and decisions in a survey across 13 college campuses, and found that participants answered about 53% of questions correctly; they concluded that less knowledgeable students tended to hold wrong opinions, and that the low level of knowledge was found to limit students' ability to make informed decisions. A similar conclusion was reached by Huddleston-Casas et al (1999), Fox et al (2005) and Anthes (2004) as well as the American Vocational Association (2002b) which recorded Jump\$tart Coalition's national survey on the financial knowledge of 12th graders who were able to answer only 51.9% of the questions correctly. The majority of students surveyed in a US college did not report knowledge of their credit card interest rate (Warwick and Mansfield, 2000). Tennyson and Nguyen (2001) documented FL levels among high school students in the USA; they found that students in states that required specific financial education coursework scored significantly higher than those in other states. Cutler (1994b) was concerned that younger generations would have a more demanding task in accumulating adequate financial resources for retirement compared to their parents, due to trends relating to demographic factors, competition for jobs, structural changes in the domestic and the international

economy, and changes in public policy, underscoring the need for FL. Generally “financial literacy among the young” was found to be “low” (Lusardi et al., 2010:358).

In Australia, Beal and Delpachitra (2003) documented low FL levels among university students; the most difficult question which tested basic knowledge of compound interest (with no calculation involved) was answered correctly by 52.9% of respondents. They further contended that knowledge had been declining, and considered the array of choices on offer in western societies as an explanation for increasing FL needs. This view seemed to be reasonable; for example, a consumer located within a strictly controlled economy that stipulated one interest rate for a specified fixed period did not really have to be able to find the best bank rate because all the banks were obliged to pay exactly the same rate. Various stakeholder representatives in Australia, including teachers, teachers' aides, principals, parents, community representatives and students of three special schools, reached consensus that financial management was one of the seven most important learning outcomes for students (Dowrick, 2004). The Commonwealth Bank Foundation (CBF) (2004), Sydney, noted links between poor FL and unemployment, sleeplessness and increased tendency to smoke.

In New Zealand, Morris (2001) administered a 30-item multiple-choice financial knowledge questionnaire, based on that used in the Jump\$tart study of US senior secondary students, to senior students from a cross section of secondary schools. Questions involved recall of factual information or simple arithmetic calculations. On average 55% of the questions were answered correctly. Morris concluded that New Zealand senior secondary students were not sufficiently financially knowledgeable to handle situations they were likely to encounter in later life.

In the UK, NFER research sponsored by NatWest and analysed by Schagen and Lines (1996) found that younger people were more likely to experience financial difficulties. This research was seen in the context of an increase in the number of individuals and households in debt (Mannion, 1992) as well as the growth of debt counselling or money advice (Kempson, 1995), and envisaged FL as something different from basic skills while acknowledging the link between the two: “Basic numeracy and literacy are prerequisites for financial literacy; at the same time, dealing with finance-related topics can provide a useful and realistic context for practising basic skills” (McMeeking et al., 2002:1). The FSA

carried out research into financial information needs of teenagers aged 15-19 year-olds (2004), followed by a study of young people aged 18-24, who generally seemed to be having a 'carefree' existence. Young people seemed to exhibit 'hedonist', 'conservative' or a mix of both attitudes in financial matters, with the hedonists intent on spending money and the conservatives more interested in financial matters; there "was a very low level of financial knowledge and extremely low levels of engagement with financial information"(2005:9). The general conclusion reached by the FSA through these and other papers (2006c, 2004b, 2005a) was that young people's financial capability was very low, a conclusion similar to those arrived at by other studies about young people.

Turning from studies on youth to the study of older people, I found these focused on specific cohorts of the adult population. In the USA, trends in health, wealth and FL were examined in relation to the baby boom generation entering middle age (Cutler, 1995a). Most of the sample of 11,000 men and women of the baby boomer generation reaching 50 years of age were found to lack basic knowledge about investments, and did not know either the early retirement age under their pension plans or the age when they could get full benefits (Cutler and Devlin, 1996b). A further study on the same demographic segment examined a national sample of 1,000 baby boomers about their current financial capacity to put money away for the future; overall, 42% were confident, and 58% were concerned that they would not have enough income when they retired (Cutler, 1997).

A survey of 2,000 randomly selected mutual fund⁹ investors provided data on investors' knowledge of costs and investment risks of mutual funds. Here, as in almost all these types of surveys, FL was assessed by means of a quiz on knowledge levels. The typical quiz score of a mutual fund investor was five out of a possible nine, suggesting that there was room for improvement (Alexander et al., 1997, 1998, 2001). The authors found that while the increased focus on disclosure at banks had had a positive effect on investor FL, investor FL still needed improvement. Older adults over 55 were found to lack "even a rudimentary understanding of stock and bond prices, risk diversification, portfolio choice, and investment fees" (Lusardi et al., 2009b:2).

⁹ Known as unit trusts in the UK

In Australia, a research project funded by the department of Education, Training and Youth Affairs as part of the 2001 ANTA Adult Literacy National Project addressed issues of financial numeracy for members of non-profit boards (Saunders et al., 2002) in the light of the elements of FL examined by Britain's Adult Financial Literacy Advisory Group (AdFLAG, 2000).

In the UK, a survey published by the Chartered Institute of Marketing (1996a) revealed that while marketing directors believed that marketing departments had become more financially aware, only 43% of financial directors perceived their marketing colleagues as possessing FL. Bond (1998, 2000) from the University of Warwick highlighted the ways in which British Government policies to reduce welfare spending and encourage low skilled individuals into low paid work increasingly required them to make sense of the inter-relationships between wages, social security and local authority benefit entitlements and the associated systems of payment. Adults with limited FL were ill-prepared to exercise such functions of citizenship, yet little help was seen to be currently available to them. Bond and Boucher (2000) felt that the growing expectation in the UK that adults should take increasing levels of personal responsibility for lifelong learning, pension provision and tax assessment assumed a degree of FL that did not exist among the general population.

A study of UAE investors found that their FL was "far from the needed level" (Al-Tamimi and Al Anood Bin Kalli, 2009:500).

To sum up, research documenting the FL of adults generally concentrated on specific demographic segments of the population. For example, in the USA there were studies about

- 'baby boomers' entering middle age
- mutual fund investors

In Australia, groups examined included

- members of non-profit boards

In the UK, studies examined

- marketing directors
- benefit claimants who sought to transfer to waged work

In the UAE, a study examined

- individual investors

It appeared that all the adult groups chosen for study evidenced a lack of adequate FL, whether they were benefit claimants, investors, marketing professionals, or board members.

FL was held to deter financial exclusion (Jones, 2008), improve access to credit for home mortgages (Courchane et al., 2008), enable households to benefit from direct investment in stocks (Cardak and Wilkins, 2009), help small business owner-entrepreneurs function efficiently at work (Brown et al., 2006), help in taking control of retirement savings investment (van Rooij et al., 2007), have a beneficial impact on retirement planning and wealth accumulation (Lusardi and Mitchell, 2007, 2009), and be related to overall life satisfaction (Shim et al., 2009). Simpson and Buckland (2009) saw linkages between lack of FL and financial exclusion and advocated the promotion of universal FL, while Lo (2009) examined the need for regulatory reform post 2007-2008 financial crisis and advocated more emphasis on FL starting in high school.

There were a few ambitious studies which attempted to gauge the FL of an entire nation. In the USA as director of the Boettner Institute of Financial Gerontology, University of Pennsylvania, Cutler was involved in a nationwide research project, FL 2000, which found that most people were not well-prepared for the responsibility of financial planning, and lacked key components of FL needed to make crucial decisions required to secure their financial well-being in later life; the conclusion was that when it came to personal financial planning, the country needed more FL (Cutler and Devlin, 1996a). A survey of the Australian adult population carried out by Roy Morgan Research on behalf of ANZ Bank (2003), seemed to be the only survey which concluded that FL rates were high; a cynic might conclude that such a finding was convenient and in the interests of the banking community. Results of the FSA's survey in the UK indicated low scores in several population groups/domains (FSA, 2006d). An OECD study (2006, 2005a) on financial education across countries indicated that the level of FL was low in most countries, including developed countries such as Japan, USA and Australia. With the single exception of the ANZ Bank survey, there was general consensus that FL was low but important.

2.2.2 The tendency to infer rather than investigate

As pointed out by Marcolin and Abraham, (2006:8) "there are significant limitations" in studies in the area of FL. Various studies conveyed the message that FL was something worth possessing, but they did not focus on what exactly FL was supposed to be. The

studies lent support to the view that FL was a subject worth investigating, but did not seem to throw much light on the question 'what is FL?' There seemed to be consistent attempts to document inadequate FL without making efforts to first understand FL. One was left to infer the meaning attached by these researchers to the term FL.

Some studies seemed to equate FL to knowledge of personal finance. Chen and Volpe (1998:1) for instance provided "evidence of personal FL" in the form of knowledge of financial products and talked about "inadequate knowledge of personal finance", and I was left to infer that their definition of FL was adequate financial knowledge. There seemed to be a general assumption that knowledge was an important factor in FL and that if knowledge levels were low FL was inadequate. The question that then arose was: could knowledge alone guarantee FL? Mr. Micawber seemed to be knowledgeable about financial budgeting, but he typified the English gentleman on the brink of penury.

FL could be knowledge plus understanding. Devlin (2003)¹⁰ for example talked about the limited understanding and awareness of the financial system exhibited by consumers and potential consumers of retail financial services. He made nine references to FL and on one occasion briefly described FL as consumer understanding of financial services.

Another inference was that FL was likely to include both objective knowledge and subjective attitudes because money had psychological as well as financial aspects: a person's overall financial well-being might be influenced not only by the amount of money in the bank, but also by the confidence and subjective satisfaction in knowing that the money was available, sufficient, and safe for future as well as current needs (Cutler, 1994a).

FL could also be such that it led to certain behavioural characteristics. Beal and Delpachitra (2003) identified some of the symptoms of financial 'illiteracy': overuse of credit cards to the point where debts cannot be met, using personal loans for consumption, undertaking overly-optimistic home-loan obligations, foolish commitments to get-rich-quick schemes, making

¹⁰ J F Devlin who wrote papers on marketing and regulation in the UK is not to be confused with S J Devlin who collaborated with N E Cutler in undertaking research into financial gerontology in the USA.

unwise high-risk investments inconsistent with required capital stability, and entering inappropriate vehicle-leasing contracts. By inference FL could be characterised by the absence of such symptoms. Hung et al (2009a) designed a measure of FL that allowed for two types of questions: those that measured financial knowledge, and those which required self-assessment of one's own financial decision-making abilities.

FL could be a dynamic concept spanning different situations over one's lifespan. The concept of human wealth span had been introduced by the Boettner Institute of Financial Gerontology in the USA (Gregg, 1993). Making "changes to their investment or contribution allocations at least once every 5 years" (Dvorak and Hanley, 2010:3) was considered as a variable for measuring levels of FL. Continuous Professional Development (CPD) was a concept implemented in a number of industries indicating the need to be up-to-date in one's field of work. The phrase 'Continuous Financial Literacy Development' (CFLD) coined by me in relation to this research (Lee, 2001), was likely to be wider in scope, embracing both institutional learning and work-based learning, and requiring to be established on a lifelong basis

According to a study conducted on consumer behaviour, increased disclosure requirements in relation to the concept of truth in lending was expected to result in not only increased knowledge and awareness, but also increased confidence and search behaviour (Day and Brandt, 1974). In other words, disclosure requirements were expected to generate cognitive, attitudinal and behavioural impacts. Again, by inference the conclusion was that FL involved all these three dimensions. As summed up by Remund (2010:276) "Scholars, policy officials, financial experts and consumer advocates have used the phrase loosely to describe the knowledge, skills, confidence and motivation necessary to effectively manage money. As a result, financial literacy has varying conceptual definitions in existing research, as well as diverse operational definitions and values."

The studies examined were generally consistent in relation to claims that FL levels were low. They contributed to the understanding of the magnitude of the problem of low FL. The central focus of almost all these studies was to highlight the need for greater FL. The countries may have been different but the conclusions were similar: FL was not up to required levels. Research documenting the FL of youth as well as adults indicated that levels of FL had room for improvement. The thumb rule for the score card seemed to be

around 50%; there seemed to be a fifty-fifty chance of getting an answer right. The studies were also consistent in portraying FL as something desirable and good. The authors seemed to find an increased level and distribution of FL as innately and inherently appealing (Basu and Foster, 1998).

However, the studies suffered from some weaknesses. The interest lay in improving practice rather than in understanding. The authors' target audience seemed to affect the reporting of research. They were generally geared towards increasing public awareness of a perceived problem and inviting regulators and policy-makers to take action. There seemed to be a positive bias at the very outset. Levels of FL were reported without a prior analysis of what constituted FL. I was generally left to arrive at the meaning of FL by a process of inference. Prior literature revealed a general tendency to go straight towards resolving the problem of lack of FL without pausing to reflect on the nature of FL. There seemed to be a gap between need recognition and problem solving. There were assumptions that FL was related to factors such as knowledge and understanding of financial issues. These assumptions were embedded in the instruments devised for research, possibly contributing to further bias. The research instruments were almost without exception addressed to consumers themselves. There seemed to have been no attempt to address the issues from the perspective of other stakeholders such as FAs who, being deemed to be financially literate themselves, might be in a better position to answer the question 'What is FL?'

2.3 *What is financial literacy education?*

My second research question was 'What is FLE?' An understanding of what constituted FLE was likely to be critical for assessing the effectiveness of an FLC and for the success of FLE initiatives. Dictionaries defined education as the act or process of educating or being educated, as the knowledge or skill obtained or developed by a learning process. Education, from the Latin *educare*, implied a process of 'bringing out' or 'drawing out' the capabilities latent in an individual. FLE then would be the learning process that brought a person to a state of FL. While the term FL made its appearance in 1992, the term FLE appeared to have obtained currency nearly a decade later. The AdFLAG (2000:3) Report referred to "financial literacy education needs of consumers". In 2001, the First Vice President of the Federal Reserve Bank of New York, delivered a speech before the New York State Banking Department about "The Growing Importance of Financial Literacy Education" (Stewart, 2001:1). The same year the credit card company Visa international

pledged support for efforts to pass legislation in the US Congress “to help provide financial literacy education to more schools” (Visa, 2001). In 2003, the Australian Securities and Investments Commission (ASIC, 2003:7) released a consultation paper that examined “the case for financial literacy education” in schools.

While I adopted the term FLE as lending clarity for the purposes of my research, I recognised that there were other terms that were also relevant. I noted some other phrases which I considered to be broadly synonymous with FLE:

- personal finance/financial education
- financial education (in a personal context)
- education for FL
- consumer education (in a financial context)

In my quest for understanding the nature of FLE, I decided to keep an open mind about the use of different terminology as long as they purported to be aimed at the development of FL.

I observed that there were four types of literature which could throw light on FLE:

- policy literature
- practice literature
- research literature
- theoretical literature

Policy literature related to statutes and policy initiatives such as the Financial Services and Markets Act (FSMA) (2000a), the Financial Services Act (2010a) and the AdFLAG (2000) Report. Practice literature could be found in the context of education, community and commercial sectors. Literature could be based on empirical research or theoretical perspectives. My initial attempts were to classify prior literature in the area according to the categories mentioned above. After some investigation, I found that the perspectives of these different categories did not differ substantially. They were all primarily driven by policy stances and initiatives. Statutes and policy developments were guided by what seemed to be financial misselling scandals that dominated the press and called upon politicians to take action. The education/community sectors were driven by the requirements of funding bodies, which were in turn influenced by politicians. The commercial sector was heavily influenced by regulatory requirements laid down by statutes as well as by marketing concerns that were enhanced by a negative press. Much of research literature was geared

towards influencing policy and also driven by current awareness of FL needs. There was hardly any theoretical literature, Devlin (2003) perhaps being the sole exception.

An examination of the literature revealed the following themes:

- FLE was something desirable and beneficial and required by consumers
- FLE could be
 - geared for the population group for which it was being developed, e.g., children, teenagers, disadvantaged adults, black women, tutors
 - geared to meeting the requirements of particular stages in a lifespan/wealthspan
 - multimodal, e.g., face-to-face or via websites
- FLE was something that led to greater collaboration between the consumer and the provider

Overall, I detected a tendency to focus on the production of educational material rather than probe as to what constituted FLE.

2.3.1 Financial literacy education as something desirable and needed by the consumer

As in the case of FL, studies portrayed FLE as something that was desirable and required. One investigation concluded that financial regulation must be accompanied by FLE in order to empower vulnerable consumers in the marketplace who had been charged exorbitant interest rates by promoters of rent-to-own enterprises (Kolodinsky et al., 2005). Duke (2005) deplored the fact that only four states in the USA required high school graduates to complete a course that included personal finance. Financial education was seen as becoming more important in the light of the increasing complexity of financial services (Simmons, 2006) and the growing social problem of over-indebtedness (Reifner and Herwig, 2003). These studies highlighted the need for FLE, underlining the importance of investigating this area, but did not throw much light on what actually constituted such an education.

A study by Joo and Grable (2004) of white-collar clerical workers, determined that financial satisfaction was related, both directly and indirectly, with diverse factors including financial behaviours, financial stress levels, income, financial knowledge, financial solvency, risk tolerance, and education; findings were cited to support the continued and increased use of targeted education initiatives directed at improving the FL and behaviour of families and

individuals. Bond and Boucher (2000) drew on prior research in adult numeracy and FL to argue that there was an urgent need to develop programmes of learning to enhance adults' knowledge and understanding of financial services and their inter-relationships with national insurance, taxation and welfare benefit systems. FLE was thought to increase the likelihood of savings participation (Wheeler-Brooks and Scanlon, 2009), improve recall of past stock returns and improve behaviour (Glaser and Weber, 2007).

The perception of FLE as a defined need had been emphasised by statutory and policy initiatives. I felt that any literature review ought therefore to include a consideration of some of the more significant policy initiatives and publications. Relevant public policy debate seemed to have commenced in the UK with a concern about financial exclusion, which in turn led to a concern with financial education. The report of the Social Exclusion Unit (SEU) Policy Action Team 14 (PAT14), appointed by the Treasury in November 1998, identified the problem of financial exclusion, which was a situation where individuals were excluded from holding financial products. Analysing the Department of Social Security sponsored Family Resources Survey (FRS) 1995/96, the Joseph Rowntree Foundation estimated that "around 1.5 million households in Britain (7%) lack any financial products at all" (Kempson and Whyley, 1999:44). This was examined and recognised as a major issue by the SEU in their report on a national strategy for neighbourhood renewal (2000b).

Recommendation 31 of the report of PAT14 (1999) stated: "As part of the new framework for post-16 learning, DfEE should consider how to promote better access to financial education to young people and adults". This recommendation became the primary task of the AdFLAG which was established in February 2000 by the Secretary of State for Education and Employment with the remit to make recommendations on ways to improve the FL of the adult population with particular emphasis on those who were disadvantaged. While there was some criticism that the AdFLAG report was taking too simplistic a view of problems experienced by adults, it served to highlight the importance of FLE, though it was necessary to acknowledge that increasing literacy might not be the whole answer; wider social issues such as indebtedness and geographic location also needed scrutiny (NIACE, 2001).

The FSMA (2000a:SectionC8PIs4) established the FSA as the sole regulator of financial services and specified, as one of FSA's four objectives, "public awareness" that involved "promoting public understanding of the financial system" including "promoting awareness of

the benefits and risks associated with different kinds of investment or other financial dealing". The FSA embarked on a personal finance education programme to increase public awareness and understanding of financial services (Devlin, 2003). From the year 2000 personal finance became included in the national curriculum for all pupils aged 5-16 in order to enable future generations to make competent choices in an increasingly complex financial services market (Emmett, 2000). The framework for Personal, Social & Health Education (PSHE) in England made specific reference to personal finance at each of the four key stages of education.

The review led by Cruickshank (2000) on competition within the financial services sector underlined the need for knowledgeable consumers who would provide the best incentive for competition to flourish. The Davies Review (2002a) identified FL as an essential ingredient of employability. Complex charging structures and lack of transparency in financial services were highlighted in the Sandler Review (2002). The Adult Basic Skills Strategy Unit (ABSSU) of the DfES reviewed the progress on the achievement of the AdFLAG recommendations, and identified the need for a national FL strategy to "articulate the *what, why, how, who, and when* of the proposed future approach to financial literacy" (PKF, 2002:4).

In 2003, the FSA teamed up with the BSA to produce an Adult Financial Capability Framework (AFCaF) (2003) outlining basic, intermediate and advanced levels of nine major areas of personal finance that needed attention; this was proposed as a possible framework for the promotion of FL. The FSA's paper 'Towards a National Strategy for Financial Capability' (2003) referred to the Financial Capability Steering Group that had been set up to develop a national strategy for financial capability. While there was some concern about the implication that 'government' would not be part of the strategy, the strategy and framework served to underscore the importance of FLE.

Similar policy developments had taken place in other countries such as the USA. Alan Greenspan (2002, 2003), Chairman of the US Federal Reserve, stressed the importance of FL in speeches, reports and publications, recommending the teaching of basic financial management skills to children from an early age. The Federal Reserve Bulletin published an overview of practice, research and policy in relation to FL (2002a). The Chairman of the US Securities and Exchange Commission emphasised the need for FL and the education of

individual investors (Levitt, 1998). The OECD established an International Gateway for Financial Education (IGFE) to develop a global clearinghouse on financial education for gathering and promoting access to information, data, resources, research and news on financial education issues and programmes around the globe. In general public policy adopted the view that FL led to financial success. Statutory developments provided a historical and policy context FLE, and indicated FLE as something desirable and needed.

2.3.2 Financial literacy education as multimodal and multidimensional

FLE appeared to be multimodal. Hilton (1995) examined the use of student tutors for developing FL. A study of FL in the developing world argued that oral communication might overcome some of the problems presented by written reports (Brown et al., 2005). Others examined the use of technology in FL development; interactive software featuring financial activities showed children how to write a cheque, make a deposit, balance a chequebook and make a loan payment (2003b). Research by Varcoe and Fitch (2003) led to the development of the 'The Money Talks: Should I be Listening?' programme and a website www.moneytalks.ucr.edu which included interactive games and a video on the importance of saving. A programme designed for black women reached its audience primarily through interactive seminars on its website, www.smartsisters.com (Lewis., 2002). The website www.moneymatterstome.co.uk developed by NIACE with the support of Prudential contained a range of material that might assist in the development of FL (Carlton et al., 2002). Some articles purported to provide a guide to the best online resources and organisations for FL (Sykes., 2003). American Certified Public Accountants (CPAs) were advised to gather information to evaluate their potential contribution to FLE online at www.aicpa.org/financialliteracy, where resources such as background notes, script, PowerPoint presentation, sample brochures and evaluation forms were made available. Some resources offered materials at a basic level (Anders and Crawford, 2005). Scanlon et al (2009) distinguished between online and workshop-based financial education programmes but felt that both were often viewed as boring and repetitive.

From a review of the literature I deduced that FLE could be multidimensional. It could, for example be different depending upon the population group for which it was being developed. The 'Family Bank' software was designed for children aged 6-16 to use with a parent on a home PC (2003b). A study by the American Vocational Association (2002b) discussed the implementation of 'Money Math: Lessons for Life', designed to introduce

personal finance concepts to middle school students so that they could learn them earlier in life and then build on them during their teen years. Research by Varcoe and Fitch (2003) suggested that teenagers as an age group had specific requirements in relation to method and location of delivery and that it was important to keep the materials interactive. Another study examined an FL programme that claimed to prepare 'Youth for Living on Their Own' (Franklin, 2004). A University of California team created 'The Money Talks: Should I be Listening?' curriculum on financial knowledge and behaviour intended to appeal to teenagers as a method of increasing their FL. In order to develop a programme that young people would readily use, and from which they would learn, teenagers were surveyed to determine the topics that were relevant to them, the educational format that appealed to them, and when and where they preferred to receive the information (Varcoe, 2002, Varcoe and Fitch, 2003). The FSA produced a practice guide and tool kit for young people (Bradbrook, 2006). Sherraden et al (2007) examined a savings programme designed for public elementary school children. Other studies focused on specific adult groups. One study examined a programme designed to empower black women in their dealings with money matters while raising FL in their community (Lewis., 2002). CD-Roms such as 'Money-go-round', MoneyPower' and 'Bridging the Gap' produced by the BSA (2003d, 2003b, 2003c, 2003a, BSA, 2003e) were aimed at adults with poor basic skills who might also be financially excluded (BSA, 2001). The report 'Summing Up: Bridging the FL Divide' highlighted the role of CABs in offering FL programmes for their clients (NACAB, 2001). The Learning and Skills Research Centre focused on educational providers and tutors (Biggar and Butterworth, 2002). Findings seemed to be valid for specific groups of individuals in their specific contexts and not generalisable across varying populations.

From a review of the literature I further deduced that FLE might have to be varied for the same individual during different periods in their lifespan. Freeman and Marcus (1998) talked about personal finance instruction that would help adults succeed with marriage, employment, job dislocations, and moving from welfare to work. Bond (2000) proposed a programme of what she called radical adult education, including access to independent and impartial welfare rights and financial information, advice and advocacy, to assist individuals in making informed decisions about the financial consequences of moving from benefits to wages. The Boettner Institute of Financial Gerontology, which planned to develop a programme of academically-based research in financial gerontology with a view to generating learning tools for promoting FL in the USA, was concerned with the linkages

between financial well-being and the 'human wealth span'; the FLE envisaged proposed to deal with specific wealth span challenges and opportunities faced by individuals (Gregg, 1993). Devlin (2003) drew attention to past and planned consumer personal finance education initiatives, and drew up a list of propositions, best described as unproven assumptions, about consumer behaviour variables that ought to result from such initiatives. In general, the possible influence of life-style and dynamic risk factors needed to be borne in mind (Friendship et al., 2003) while investigating FLE.

2.3.3 FLE as something leading to greater collaboration between consumers and providers

FLE was perceived as leading to a more collaborative, less predatory, and vastly more successful relationship between the public and the field of financial services (Freeman and Marcus, 1998). Banks, building societies, insurance companies, investment management vehicles and other financial institutions (FIs) comprised the financial services sector. These institutions had been accused of making exorbitant profits at the expense of consumers. Adverse publicity and marketing concepts seemed to have combined to produce financial services organisations-led FL initiatives either independently or in collaboration with public bodies. Almost all the bodies involved in the promotion of FL desired to describe their efforts as first of its kind in some way or other.

In the USA, bodies representing auditors and bankers seemed keen to be seen as promoting FL. The American Institute of Certified Public Accountants' (AICPA's) 360 Degrees of FL programme was seen as having provided additional resources to help CPAs and state societies educate the public on financial matters related to couples/marriage, home ownership, life crises and retirement (2006b, 2006a, 2005a, 2005b, Snyder, 2005, Reynolds et al., 2004, Tie, 2004) and to promote the community's right to information (Previts, 2005, Price, 2005). There was an example of a CPA collaborating with bodies such as the Chambers of Commerce to offer FL programmes in Florida (2005c). Anthes (2004) called upon financial services professionals to join in efforts to raise the FL of every American. The Capital One Financial Corporation and the San Francisco non-profit Consumer Action started a financial education and money management web site www.money-wise.com containing information about issues such as credit card fraud and establishing good credit. Their FL campaign 'MoneyWise' was described as the first program of its kind to combine free, multilingual financial education materials with

community training and seminars for consumers at all income levels (ThomsonMedia, 2004.). The American Bankers Association (ABA) described itself as the only national bank trade association with its own education foundation providing leadership and banker resources to help consumers take control of their personal finances (Simmons, 2006). Their foundation sponsored two national programmes: 'Teach Children to Save' and 'Get Smart about Credit' (Simmons, 2006, Duke, 2005). Keenan (2004) talked about community banks in the USA that were reaching out to customers and the unbanked such as immigrants and students. Some banks were devising their own programmes and others were making use of centrally produced federal programmes such as the Federal Deposit Insurance Corporation's (FDIC's) 'Money Smart', whose goal was to graduate one million consumers from its programme by 2006. A spot poll of 110 bank executives conducted for America's Community Bankers' (ACB's) annual convention in the autumn of 2003 indicated that about 59% of member banks sponsored FL efforts. Among those, 54% supported programmes for elementary and high school students, 17% backed initiatives for the unbanked and recent immigrants, and 17% participated in programmes to educate seniors.

Similar data was not readily available for the UK, but initiatives were on the rise. NatWest and Prudential were examples of financial institutions that were active in the area. Natwest's FL Centre (later changed to the Royal Bank of Scotland/Natwest Financial Capability Centre) and its 'Face 2 face with finance' programme was an educational initiative for students aged 11-18 in secondary schools, VI Form and FE Colleges designed to support the development of financial competence in young people (Schagen and MacDonald, 1997b). The Personal Finance Education Group (pfeg) (2003) aimed to bring together teachers, government, consumer bodies, the FSA and financial services industry representatives who shared a belief in the importance of personal finance education, and was formed with the goal of promoting and facilitating the education of all UK school pupils about financial matters.

I noted references in practice literature to the work of various bodies that were engaged in producing materials aimed at developing FL. The rapid increase in the number of articles published in the area was an indication of the rising industry interest. There were a few hundred articles in professional publications; in general, these either focused on the lack of FL and the need to develop it among consumers or referred to programmes purporting to develop FL. Many articles referred to money invested by financial services organisations in

FL projects. FIs seemed to be undertaking FLE projects as part of their CSR; thereby they would be perceived to be 'doing the right thing', and also assist their regulator in achieving its statutory objective. FIs seemed to adopt the approach that FL was something good and lack of it was something bad and FLE was needed to develop FL. The focus was on the 'how to' of FL development.

The 'how to' material thus produced seemed to have generated some benefits, increasing awareness of FL needs and engendering links between the public and the financial services industry. However, the extent to which such material would be acceptable as FLE was not clear. Efforts at assuming the position of friend to the consumer could be viewed as facilitating further misselling through gaining the consumer's trust. When financial services providers perceived as exploiting the consumer were also seen to be providing consumer education, there was some scope for suspicion as to the extent to which such education was unbiased.

2.3.4 The tendency to produce rather than probe

Literature about the 'how-to' materials produced by various bodies served as a useful background for the proposed investigation into what constituted FLE. However, it appeared that educational material was designed and placed on offer without a prior investigation as to what constituted FLE. I was generally left to arrive at the meaning of FLE by a process of inference.

The authors' target audience seemed to affect the reporting of research. Reports were generally geared towards funding bodies. There were assumptions that FLE involved information and knowledge. These assumptions were embedded in the instruments devised for research, contributing to possible bias. The aim was to achieve implementation of policy rather than assess policy and its implementation. Almost all studies focused on population segments undergoing the 'treatment' of financial education. There seemed to be an eagerness to develop FL materials and to provide FLE without devoting adequate attention to examining what such education comprised or ought to comprise. Need recognition seemed to be directly followed by perceived solutions. The interest lay in improving practice rather than in understanding. I detected a general tendency to produce rather than probe. Research instruments were almost without exception addressed to consumers themselves. There seemed to have been no attempt to address issues from the perspective of other

entities such as FL educators who, being engaged in the activity of promoting FLE, might be in a better position to answer the question 'What is FLE?'

2.4 What might be the components of an effective financial literacy curriculum?

My third research question was 'What might be the components of an effective FLC?' It seemed necessary to look for answers to the following related questions in relevant literature:

- Is there a link between FL and FLE?
- Are there other factors that might influence FL?
- What are the components of an FLC, and has the effectiveness of an FLC been evaluated?

2.4.1 Is there a link between financial literacy and financial literacy education?

Education has been identified as affecting the socially desirable objective of literacy in general (Dholakia and Dholakia, 2001). As pointed out by Devlin (2003), these generic terms could be substituted by financial education and FL. Knowledge was found to be low among less educated individuals (Dvorak and Hanley, 2010, Bruin et al., 2010). Some studies found that students specialising in non-business subject areas had lower FL than those specialising in business studies (Volpe et al., 1996a, Chen and Volpe, 1998); business courses could be deemed to be a form of FLE that had an impact on FL. It was also found that economics education impacted upon an individual's decision to have a bank account (Grimes et al., 2010). On the other hand, Beal and Delpachitra (2003) found that psychology students outperformed students specialising in education and business. Was FL more to do with psychology than business and economics? Psychological factors certainly influenced financial behaviour, and the psychology of finance was a distinct subject area in its own right. On the other hand it was possible that researchers had their own private agenda. The researcher who had categorised students into business and non-business categories might be hoping to find that business majors outperformed others. The researcher who focused on psychology students might be hoping to see psychology students doing better. At any rate, it would appear that prior studies had not arrived at a clear consensus in this regard.

Notwithstanding a lack of clear consensus, there seemed to be a likely link between FLE and FL. People were said to have failed to make correct decisions because they had not received a sound personal finance education (Hira, 1993). High school students were found to be not receiving a good education in personal financial fundamentals and to have poor knowledge (Bakken, 1967). Chen and Volpe (1998:6) cited "the systematic lack of a sound personal finance education in college curricula" as a reason for low levels of knowledge. Higher education institutions were blamed for placing inadequate emphasis on finance education (Danes and Hira, 1987). FLE for adults was considered as a fire-fighting exercise when FL levels were extremely low (Vass, 1998). Some management accounting journals recorded that the implementation of a financial software programme was found to result in improved FL and understanding among managers (1996b, 1996a). Beal and Delpachitra (2003:72) made a strong claim that low levels of FL "no doubt, stems from the lack of financial-skills education in high schools". A financial education programme was found to increase "financial knowledge across many concepts" (Walstad et al., 2010:336).

While it is difficult to objectively measure the impact of education in raising levels of financial capability (Jones, 2008), a link was noted between financial literacy and educational attainment in general (Simpson and Buckland, 2009, Bucks and Pence, 2008). Financial education was held to be one of the factors that may have an impact on the development of financial literacy (Shim et al., 2009, Lusardi and Mitchell, 2007, O'Loughlin and Szmigin, 2006). One study found that hours of financial education were highly associated with savings outcomes among Individual Development Account (IDA) programme participants with children, and each additional hour of financial education was found to be associated with an increase in saving amounts for the group (Grinstein-Weiss et al., 2006). These studies focused largely on low levels of FL and the need for FLE.

2.4.2 Are there other factors that might influence financial literacy?

It was possible that FL could be influenced by factors other than FLE. For example, could FL be linked to nationality? A journal dedicated to eighteenth century studies talked about Dutch wives' good husbandry, Defoe's Roxana and Financial Literacy (Gabbard, 2004). The English imagination of the eighteenth century seemed to have perceived Dutch wives as commercially wise and financially competent. Being Dutch was a metaphor for FL. Defoe's heroine Roxana (1724) was deemed to be an exception as she was unable to keep accounts despite being Dutch. While conventional wisdom suggested that FL was more

than being Dutch, there might be demographic and geographic variables that could impact upon the development of FL, and it would be relevant to ascertain the nature of these other influences.

Factors such as age, marital status and work experience had been found to make a difference. A correlation was found to exist between FL and age. Young people aged 16-21 in work or training were identified as being at risk of financial difficulty (Schagen and Lines, 1996). Chen and Volpe (1998) found that those under age 30 had lower levels of FL. Correlation was found to exist between investment in mutual funds and the investor's age (Alexander et al., 1997, 1998). According to the ANZ study those aged 18-24 as well as over 70 showed lower levels of FL (ANZ, 2003). Danes and Hira (1987) found married students to be more knowledgeable, and correspondingly being single was associated with lower financial literacy (Bruin et al., 2010). Students in higher education not living in the parental home and single parents on benefits were identified as being at risk of financial difficulty (Schagen and Lines, 1996). Work experience was positively related to FL (Beal and Delpachitra, 2003, Chen and Volpe, 1998). There was a suggestion that people learnt financial skills through a process of trial and error (Beal and Delpachitra, 2003, Alexander et al., 1997, 1998).

Gender, geography and area of financial expertise seemed to be linked to FL. There were contradictory findings regarding gender differences that could have geographical and other implications. Some studies in the USA and the UK identified males as more knowledgeable than females (Volpe et al., 1996a, Chen and Volpe, 1998, Summers et al., 2005, Lusardi et al., 2009a, Bruin et al., 2010). Knowledge was found to be particularly low among women (Dvorak and Hanley, 2010). Pahl (1999, 2000) found that women were more excluded than men from new forms of money such as 'internet banking'. Heath (2000) noted gender differences though he found a clear narrowing of gender inequalities over time. However, no male/female differences were noted by either Beal and Delpachitra (2003) or the ANZ study (2003) in Australia. New Zealand seemed to be similar to its neighbour Australia: no significant differences were noted either between genders or between regions within the country (Morris, 2001). Individual studies had revealed very little within country differences, though an overview of literature seemed to reveal variations between countries. Taking into account possible variances in methods and measurement techniques, regulatory, legal and fiscal frameworks that differed from country to country (but not within countries) could have

an impact on FL levels. It appeared that women had expertise in some areas and men in others. For example Danes and Hira (1987) found that men were good in some areas such as insurance and personal loans and women in overall financial management. FL varied depending on the area or 'domain' of personal finance; for example, insurance was better understood than investment in mutual funds (Cutler and Devlin, 1996a). Some areas of finance, such as superannuation, were found to be not very well understood by any section of the community (ANZ, 2003). It was difficult to make generalisations about areas of financial expertise as there were major differences in the nature of these areas between countries. Within countries, different studies focused on different areas of expertise. Danes and Hira (1987) covered the knowledge of credit cards, insurance, personal loans, record-keeping and overall financial management. Chen and Volpe (1998) limited themselves to general knowledge, savings and borrowing, insurance and investments, while Volpe, Chen and Pavlicko (1996b) restricted themselves to the knowledge of investment only.

Significant differences between socio-economic and ethnic groups had been noted. Families living in LA/HA accommodation were identified as being at risk of financial difficulty (Schagen and Lines, 1996). Lower class ranks (Chen and Volpe, 1998), low income (Dvorak and Hanley, 2010) and greater poverty (Bruin et al., 2010) were correlated with low levels of FL. Correlation was found to exist between investment in mutual funds and the investor's levels of wealth and education (Alexander et al., 1997, 1998); the typical mutual fund investor was found to be older, wealthier and better educated than the average American. New Zealand Europeans did better than Maoris, Asians and Pacific Islanders; mid socio-economic groups did better than the very low or the very high (Morris, 2001). These two variables could be interlinked: ethnic minorities such as the Maoris could occupy a lower economic stratum and be disadvantaged from the point of view of educational and employment opportunities. While some (Lusardi and Mitchell, 2007) have held that greater financial literacy leads to greater wealth, others have argued for reverse causation, suggesting that greater wealth may in fact result in greater interest in matters such as pensions (Gustman et al., 2010) and compound interest which has been held as an indicator of financial literacy (Leahy, 2007). In another study, "wealth" was found to have "a positive but small effect on the degree of financial knowledge" (Monticone, 2010:403). Heath (2000) found substantial progress among ethnic minorities; the inequalities among the second generation (who were born and educated in Britain) were found to be a great deal less than those in the first generation (born and educated overseas). Both ethnic and gender

implications seemed to underpin a study by Lewis (2002:69) on FL among black women. The study was concerned with a financial adviser for a major Wall Street investment firm, who had found that women in the San Francisco Bay area showed a reluctance to discuss personal finance, "a lack of trust of financial professionals, a feeling of inadequacy around FL, and feelings of inadequacy around the amount of money they had to work with", and an attitude that discussing investing was "something white people do, not black people. If black people do it, [they're considered] black people who want to be white." The FSA (2005) found that family encouragement to save for the future was stronger among Asians, and that black Afro-Caribbean respondents exhibited a greater sense of responsibility in terms of contributing towards family income.

More recently, it was felt that financial education alone had a limited impact on financial literacy which depended on a number of factors including psychological factors such as parental expectations (Shim et al., 2009). Psychological studies have highlighted the importance of personal values and impulse control as correlates of addictive buying; in a study of undergraduate consumers with varying degrees of spending problems, positive associations emerged between narcissism, materialism, and compulsive buying (Rose, 2007). Consumer information processing, learning, memory and the cultural and psychographic influences on these internal processes were viewed as influencing consumer proficiency in managing financial services (Huhmann and McQuitty, 2009).

To summarise, previous studies had identified the following as possible factors that had an impact on FL:

- age
- marital status
- work experience
- gender
- geographical location
- area of financial knowledge
- ethnicity
- socio-economic status
- psychological factors

Some of the findings were consistent with each other whereas others were contradictory. I recognised that the influence of confounding variables would need to be borne in mind in all investigative research.

2.4.3 What are the components of an FLC, and has the effectiveness of an FLC been evaluated?

Literature on curriculum and curriculum development/planning was vast, and it would not be possible to cover all aspects and areas. I focused on curriculum components. What were the components of any curriculum and were there certain components that might be deemed to be more effective? These seemed to be varied. "Any curriculum consists of several components: objectives, attitudes, time, students and teachers, needs analysis, classroom activities, materials, study skills, language skills, vocabulary, grammar and assessment. Before setting up a program or course of study, these components should be determined and described in detail...curriculum or course designers need to scrutinize these components one by one and determine their role in the program" (Zohrabi, 2008:49). Curriculum components have been viewed as "subject areas" (Thomas et al., 2009:39) and "structure and logical sequence" (Voskresenski et al., 2010:360). Text books were usually considered to be one component of curriculum materials (Ben-Peretz, 1990, Remillard, 1999). The effectiveness of "multimedia" and "web-based curriculum components" (Chang and Yang, 2010:673), "academic writing component" (Medgyes and Ryan, 1996:361), and "problem solving skills" (Chen-Yung et al., 2005:269) have been explored. Wette (2009:337) thought that weaving "a coherent instructional curriculum from a variety of components" was "an interactive, contextualized process", while Macedo (2009:87) felt that "universalistic articulations [tried] to undermine the demands of difference".

Kourdioukova et al (2010:1) found "appreciation for curriculum components that combine traditional curriculum components...with distance learning components such as E-learning and E-testing", and also that students "heavily appreciate practice linked curriculum components". In a similar manner, Cole and Berensen (2005:240) found "practice skills" to be important. Richards and Pelley (1994:59) found "demand for technical expertise and skills" as being valuable components. "Favoured...curriculum components" included skills, concepts, application and issues (Hu et al., 2003). Preez et al (2007:284) identified "two components that require attention: the cognitive and the experiential...The teaching and assessment of the cognitive component were relatively easy to put in place", but the

challenge was to maintain this component. The “way forward [was] to expand the teaching and assessment of professionalism in the experiential component”. Drawing on Lyotard’s (1984) concept of ‘performativity’, Barnett et al (2001:437) distinguished between a ‘knowledge-based’ and ‘task-based’ curriculum, ‘knowing that’ and ‘knowing how’, ‘intellectual orientation’ and ‘action orientation’, and ‘proposition-based learning’ and ‘experiential learning’. Practice skills and experiential learning were found to be valued.

Brewer et al (2006:441) discuss, as “necessary components for a comprehensive curriculum”, “adaptation to the institution’s mission and other program goals, responsiveness to local and regional needs, sensitivity to the availability of expertise and other technical resources, and a mechanism for response to a continuously changing environment”; they also emphasised the need “to develop a mission and set goals for the curriculum, define the outcomes expected of students, identify current and needed competencies, and specify other parameters that establish the foundation for an effective curriculum”. Clearly, the components of an effective curriculum would depend on the goals and the outcomes desired.

Moving from curriculum components in general to FLC components in particular, these seemed to focus largely on factual information, some of which could quickly go out of date. Much prior study had considered knowledge and information as the chief components of an FLC. Individuals who performed well on knowledge-based tests and achieved high scores were considered financially literate. While lack of FL was associated with poor financial behaviour, there did not seem to be any corresponding emphasis on attitudinal and behavioural inputs that needed to go into the design of an effective FLC.

There had been some attempts to assess the effectiveness of FL initiatives. In the UK, the NFER had carried out an evaluation of the projects undertaken for improving FL and basic skills (Schagen and Lines, 1996). These projects had been part of a programme developed by the BSA in response to the AdFlag report (2000), and contained three strands: LEAs, CABs and CUs. The authors distinguished between FL and basic skills: LEA tutors tended to be basic skills specialists, whereas CABs and CU personnel had expertise in some aspects of FL; most tutors had a background in either basic skills or FL, not both, and some providers had found it difficult to recruit learners. Some of the issues that were highlighted and stressed were: the importance of having an appropriate venue for provision, the need

for the course to be appropriate for the target audience, and the need for those with responsibility for marketing to have a clear picture of what the course involved. The evaluation endorsed the AdFLAG (2000) recommendation for local provision. There were similar evaluations of the NatWest programme (Schagen, 1997, Schagen and MacDonald, 1997a, 1997b, 1998, McMeeking et al., 2002, 2003).

In the USA, a study (Danes et al., 1999) assessed the impact of a high school financial planning curriculum on the financial knowledge, behaviour, and self-efficacy of 4,107 teenagers and found significant changes both immediately and three months after completing the curriculum. Pre and post test evaluations of participants measured improvements in numeracy and other skills. Fox et al (2005) provided an overview of the range of programmes aimed at improving Americans' FL as well as a short review of the effectiveness of financial education programmes. Lucey (2005) made an assessment of the reliability of Jump\$tart surveys of FL. Varcoe and Fitch (2003) examined the effectiveness of 'The Money Talks: Should I be Listening?' curriculum, and concluded that using it did improve the FL of high school students with significant positive changes in knowledge, understanding and behaviour. Males demonstrated a significantly greater increase in knowledge from pre-test to post-test than females, but it was possible that the females had more interest in or knowledge of financial issues prior to participation in the project.

The value stance adopted in these studies seemed to be one of positive interest rather than of criticality. There was an eagerness to make recommendations for action rather than improve understanding prior to developing action points. The interest seemed to lie in improving practice rather than understanding. The authors' target audience seemed to affect the reporting of research. The research reports were generally geared towards the funding bodies; very often they were sponsored by the funding bodies. They did not have the control element present in experimental studies. There was an assumption that participation in a programme rendered an individual as 'treated' without taking into account other factors such as the treatment climate, the quality of programmes and how the individual responded to treatment (Friendship et al., 2003).

I also became aware of further work in progress through my network of contacts. I was approached in November 2004 by the National FL Development Officer of Citizens Advice to ascertain my interest in offering a tender for leading a project on behalf of LondonMet. The

project involved a performance, process and impact evaluation of FL projects run by nine CABs under the Financial Skills for Life three-year national FL programme developed by Citizens Advice in partnership with Prudential plc. This evaluation project was eventually entrusted to a private body. With the mushrooming of FLE programmes helped by a variety of funding sources, similar evaluations could be expected to take place in the future. However, much of the evaluation work was likely to be specifically targeted towards funding bodies, providing knowledge for action rather than knowledge for understanding.

2.4.4 Conclusion

The field of personal finance had been sociologically neglected (Aldridge, 1998). As pointed out in the AdFlag (2000:3) Report, "There has been a limited amount of research carried out specifically to address the financial literacy education needs of consumers as opposed to the need for new products or methods of delivery". In my capacity as university lecturer for 'Marketing of Financial Services' and 'Bank Lending', and in my capacity as consultant tutor to the Chartered Institute of Bankers' (CIB's) institute of financial services (ifs) for 'Marketing of Financial Services' and 'Retailing of Financial Services', I had noted that much research had been carried out from the point of view of the providers' marketing needs; financial services providers had vast resources at their command, and had spent large sums on market research trying to find out what would persuade consumers to part with their money. However, from the point of view of the consumers' needs to understand the products marketed, and consumers' financial education needs, research had been limited.

Developing FL might be expected to be an integral part of the lifelong learning process, which was itself under-researched (Coffield, 2000b). What Coffield (2000a:4) said about lifelong learning in general seemed equally applicable to FL, that for too long it had remained "an evidence-free zone, under-researched, under-theorised, unencumbered by doubt and unmoved by criticism." There was a need to investigate the key issues which were likely to affect the readiness and ability of individuals to take responsibility for their financial decisions, and to examine the type of ongoing educational activity that might be relevant. There was a need to be better able to identify the components of an effective FLC so that the numerous programmes now being produced were consistently evaluated and lessons learnt for the future.

Prior literature seemed to arise primarily from four major countries, USA, UK, Australia and New Zealand, and all four were well developed economies where educational opportunities and literacy levels could be assumed to be somewhat comparable. Scholarly research on the evaluation of FLE was scarce. Research seemed to be generally characterised by the use dichotomous variables, selection of specific demographic segments and, with a single exception, arriving at the conclusion that FL levels were deficient. Policy papers provided a historical context and setting. Professional papers revealed the topical nature of the subject and a general concern that something was needed to be done in the area. Study materials were put forward as ways of developing FL.

Research on FL seemed to be thin and narrow. Scholarly research articles had tended to concentrate on micro groups. Some broader surveys seemed inconsistent. One national survey in the USA (carried out by an organisation that aimed to promote FL) came to the conclusion that FL was low. A national survey in Australia (carried out by an organisation sponsored by the providers of financial products) came to the conclusion that FL was high. In addition to breadth there was also the issue of depth that might be achieved by focusing on individual cases. Longitudinal studies including qualitative case studies of FL development in individuals over a period of time appeared to be non-existent. More studies were needed to enable the conceptualisation and development of FL in a consistent manner.

The literature review confirmed that there was a need for FL and that there was a need for further research in FL. Whether FL was perceived to be low (the general conclusion) or high (one exceptional finding) there did not seem to be much interest in looking at the nature of FL. There seemed to be an assumption that there was something well defined about FL that was so obviously understood that no attempt would be needed to check for reader comprehension. There was a tendency to infer rather than investigate the answer to the question 'What is FL?' A lot of 'how to' work had been done in the hope of making people more financially literate. There was a tendency to produce material rather than probe the answer to the question 'What is FLE?' Evaluative studies seemed to focus on improving practice rather than understanding. There was an eagerness to make recommendations for action rather than look for 'the components of an effective FLC'. Knowledge was sought for action and for practice rather than for understanding.

Reviewing literature enabled me to derive knowledge about previous work undertaken on FL. However i did not get as close to finding the solutions to my own questions as I had thought possible. What I actually found was an almost uniform consensus in regard to certain fundamental assumptions: FL was desirable; FL was inadequate; FL needed to be developed; FL could be developed by 'how to' materials. I recognised that answers to my own research questions were not to be found by a trawl of prior literature alone. Empirical work was needed to be undertaken in order to address the specific questions that had been identified for my research. The first question that needed to be addressed was: 'What is FL?'

CHAPTER 3 WHAT IS FINANCIAL LITERACY? AN EXPLORATORY SURVEY OF FINANCIAL ADVISERS

*Action is rational in so far as it pursues ends possible within the conditions of the situation,
and by the means which, among those available to the actor, are intrinsically best adapted
to the end*

-Talcott Parsons

Among the means available to me as a researcher, the survey seemed to be one of the methods that was "intrinsically best adapted" (Parsons, 1937:58) for my purpose. The survey method facilitated "the collection of data on a number of units and usually at a single juncture in time, with a view to collecting systematically a body of quantifiable data in respect of a number of variables which are then examined to discern patterns of association" (Bryman, 1989:104). Questionnaires could be used in a range of settings (UDACE, 1989), and both developed afresh as well as adapted from elsewhere to suit the needs of my research.

There were several reasons for initially identifying the survey as the most appropriate research method. Firstly, in my personal experience I had found that the adage 'Ask and it shall be given'¹¹ had been largely true. When I asked questions, I got answers. Some answers might be irrelevant, inaccurate, or even deliberately untruthful, but a careful analysis of answers would provide insights. In my experience as a bank manager I found that the most effective way of achieving objectives was to ask people. If I wanted business leads, I asked the staff and customers for suggestions; if I was faced with a difficult problem, I asked people to suggest solutions. This had been a successful strategy. I achieved business goals and promotions in the career ladder. As a bank manager, I had been effective by asking questions. As a social sciences researcher, I was convinced that I would be effective if I asked questions to find answers. As a finance manager and as a finance researcher I dealt with people who came with experiences, views and perceptions. If I wanted to learn about human perceptions and competences, a logical method would be to ask people about their perceptions and experiences.

¹¹ Matthew 7,7 and Luke 11,9 in the Bible, King James version

Secondly, surveys facilitated quantification and mapping exercises. Whether qualitative or quantitative, data would be quantifiable. Surveys could be descriptive and analytical (Gray, 2004), and capable of mapping and categorising the ways in which people perceived or thought of FL and FLE.

Thirdly, I perceived the survey method as methodologically rigorous. A hundred years ago, the survey was used by the professional marketer rather than by the academic researcher. However, since the 1950s, 60s and 70s it had expanded the area of its domain (Fontana and Frey, 1998). Asking questions was now a methodologically accepted form of conducting research, and survey research played a dominant role in sociological enquiry. Even in a non-laboratory situation where invasive techniques were not envisaged, surveys could give a "reassuring scientific ring of confidence" (Robson, 1993:125).

Finally, surveys were flexible, being capable of incorporating different approaches: objective and ontological on the one hand or consciousness/experience-based interpretive on the other. In the type of research that I envisaged people were an integral part of the process, and the research method needed to be able to incorporate a degree of flexibility. A completely objective approach could lose sight of the human aspects of FL, while a completely subjective approach could lose sight of the realities of the financial environment within which the individual was located. Learning was both situational and constructivist (Hodkinson et al., 2008). Knowledge was dynamic and human, and objective decisions were actualised within subjective dispositions (Bourdieu, 1977). Surveys could look at an "objective reality out there" and also at "a subjective, constructed reality" (Kent, 1999:12).

The survey method had its disadvantages: group sizes might be unequal, resulting in some entities being over or under represented. Respondents might be unequally distributed and bias might arise because of selection into or out of the study population. Bias could be a form of invalidity in which measurements are too high or too low for a distinct group of measured entities (Heise, 2000). Wording and sequencing of questions could encourage or suppress particular answers and thereby contribute to biased measurements (Schuman and Presser, 1981). In some instances respondents could be deliberately deceitful (Goffman., 1974), and their fabrications could lead to biases. Others could be inadvertently inaccurate. Notwithstanding these drawbacks, the survey method could be effective as a mode of

sociological enquiry and was considered appropriate for the nature of the questions being investigated.

Having identified the survey as a major research method, my next task was to examine and identify the most appropriate research instrument. The survey method came in two major modes: interview (face-to-face/telephone/computer-assisted) and self-completion (mail, email, web, personally delivered, personally administered). In general, I preferred an organised/structured approach, and was attracted to the standardised format of a self-completion questionnaire, which asked exactly the same set of questions in the same unvarying order without being influenced by intonation and body language. The bias that arose from personal interaction between the researcher and respondent could be largely avoided by a well constructed questionnaire that was self-completed. The second major advantage was its cost effectiveness. It was cheap and inexpensive: postage was less expensive than telephone and travel, while email questionnaire was even cheaper, with no postages to pay. The third major advantage was in relation to the time factor: questionnaires could be administered quickly, and the email questionnaire was even faster than mail questionnaires. The last two advantages resulted in another advantage, the ability to reach a number of individuals, attaining a larger sample. Moreover, respondents were able to complete the questionnaire at a time convenient to them rather than to the researcher, and to respond in a more relaxed frame of mind leading to greater accuracy and detail. Finally, the assurance of anonymity could encourage more honest responses.

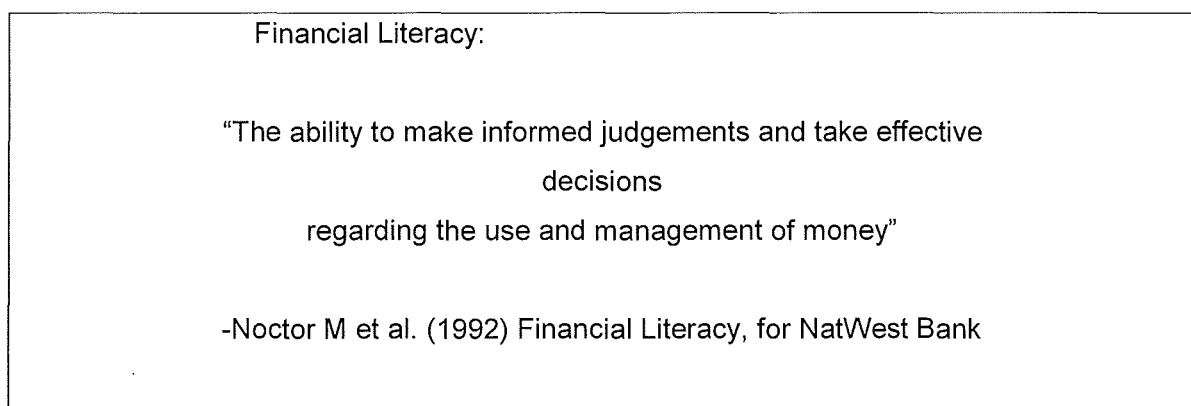
There were drawbacks. The response rate could be low. I proposed to minimise this disadvantage by involving reputed organisations in the distribution of questionnaires. The insertion of names such as NIACE and the DfES could lend greater credibility, and increase the number of interested respondents. Another disadvantage was that the respondents could misinterpret the questions, assigning a meaning different from that which had been intended. I hoped to counter this problem by making the questionnaires as clear and simple as possible. In addition I would offer respondents the opportunity to answer open-ended questions that facilitated the conveyance of individual meanings. Further perceived disadvantages were that, I could not vary or add to my questions or my tone or my emphasis if the circumstances so warranted. I could not provide additional clarifications where necessary. I could not encourage the hesitant respondent, motivate the impatient respondent or probe the confident respondent with further questions. Some aspects of

human diversity would be lost in the quest for standardisation. In my view the disadvantages of questionnaires were outweighed by the advantages. My aim was to discover broad commonalities rather than look at individual differences. The survey was exploratory and the aim was to be open to ideas and suggestions.

3.1 Research Question 1: What is financial literacy?

The first research question was 'What is FL?' As indicated in section 1.3.1 it seemed most appropriate to address this question to financial advisers rather than to the consumers of financial advice, and a decision was taken to use the survey questionnaire sent out by NIACE to institutions and organisations offering services/information/advice on financial matters. These organisations were advised about a research project aimed at identifying FL needs and developing guidance around the issues raised, and organisations were requested to complete and return a three-page survey form. Findings were expected to be relevant for adults, the focus being on older rather than younger people. Stamped addressed envelopes were provided for the convenience of respondents with the expectation of improving the response rate. The earliest known definition of FL¹² was furnished at the top of the survey form:

Figure 5: A definition of FL



Suggesting a definition of FL at the outset could influence the views of respondents. On the other hand not furnishing any clue might also have disadvantages: respondents might not know where to start. A definition could suggest some idea at the outset, and respondents

¹² See also section 2.1.2

would be free to either agree or disagree with it when they answered a set of open-ended questions which probed their understanding of FL.

3.2 Analysis of Respondents

A total number of 103 organisations sent in their responses by June 2001 to NIACE, and these were passed on to me for analysis as agreed. I proposed to analyse the data using the NVivo qualitative research software that incorporated features of open coding and other techniques used in grounded theory. I acquired expertise in the use of the software by a combination of working through the instruction manual and attending specific training programmes relating to qualitative analysis in general and NVivo software in particular. The software enabled me to identify and classify themes more systematically than would have been possible by a manual process, and facilitated the quantification of qualitative data by means of categorisation and quantitative analysis.

An analysis of respondents by type of organisation is furnished below.

Figure 6: Survey One: Analysis of respondents

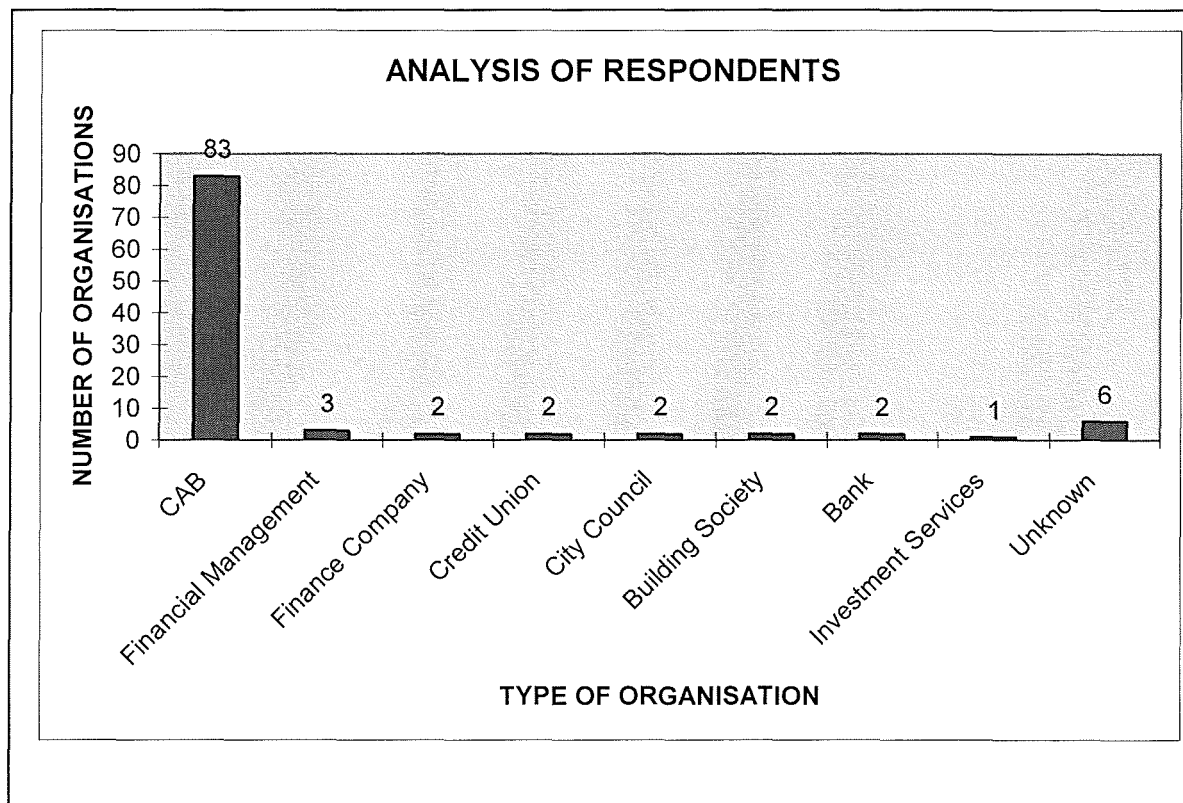


Table 2: Survey One: Analysis of respondents

Organisation type	%
CAB	80
Financial Management	3
Finance Company	2
CU	2
City Council	2
Building Society	2
Bank	2
Investment Services	1
Unknown	6
	100

CABs constituted the largest single category of respondents. There were very few respondents from financial institutions such as banks and building societies. However, I was not too concerned about this sample bias as I wished to focus on the community sector rather than on the commercial sector.

3.3 Analysis of Responses

There were nine open-ended questions¹³. The first and last questions seemed to be of the most direct significance for the understanding of what was meant by FL, supported by the other seven questions that were aimed to elicit more information around the subject of FL. Having satisfied myself about the relevance of the questions, I set about undertaking a question by question analysis of responses, as described in section 1.3.1 above¹⁴.

3.3.1 What is understood by the phrase financial literacy

All organisations responded to the first question: 'What is your understanding of the term 'FL'?' Many gave more than one response, and these responses could be classified under more than one category. The highest frequency was 'understanding' of financial matters and issues. 'Understanding' was considered as more important than 'knowledge' or

¹³ See Appendix 3 for a sample completed questionnaire.

¹⁴ See Appendix 4 for a summary of NVivo analysis.

'confidence' or 'informed decisions'. 'Money management' was the next emergent theme. Some agreed outright with the NatWest definition furnished in the questionnaire. Very few perceived FL to be 'numeracy' or the ability to 'handle debt'. Responses were grouped and ranked in descending order of frequency. The category of response and number of responses received are indicated below.

Figure 7: Understanding of the term 'financial literacy'

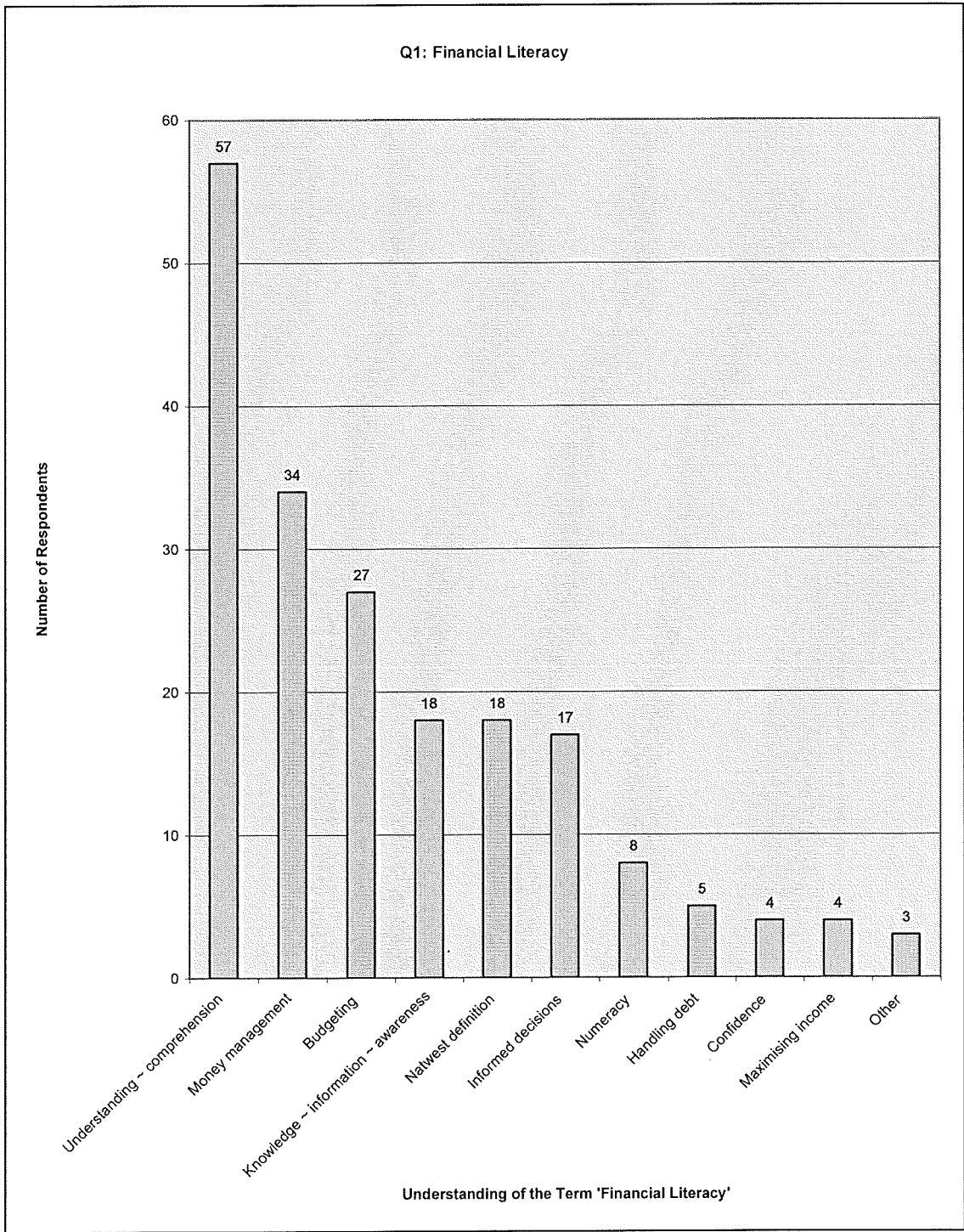


Table 3: Survey One: Analysis of responses

Response	%
Understanding/comprehension	29
Money management	17
Budgeting	14
Knowledge / information / awareness	9
Natwest definition	9
Informed decisions	9
Numeracy	4
Handling debt	3
Confidence	2
Maximising income	2
Other	2
Total	100

3.3.2 Financial issues considered as important

The second and third questions explored issues that might be important for older and younger adults. These overlapped but were not identical, implying that FL might involve expertise in relation to different issues at different stages in life. Pensions, retirement planning and balancing income and expenditure were considered as major concerns for older people, while insurance and tax matters were not considered to be important. Debt management/avoidance, housing/mortgage and savings/investment seemed to be more important for younger people while unemployment was considered to be less important.

3.3.3 Current plans of organisations to discover or address financial issues

The fourth question explored attempts made by FAs to discover or address relevant financial issues. Responses could provide clues about areas related to FL. Advice and debt counselling constituted two of the most important activities, accounting for 37% of responses. Maximising welfare benefits was the third highest, followed by helping with financial problems, liaison with other agencies, and home visits, indicating practical assistance that extended over and above advice and information. One CAB seemed to think the situation was hopeless: "Will they ever learn enough to save for retirement and be able to raise a family and be a consumer (which keeps the economy going) and/or own their

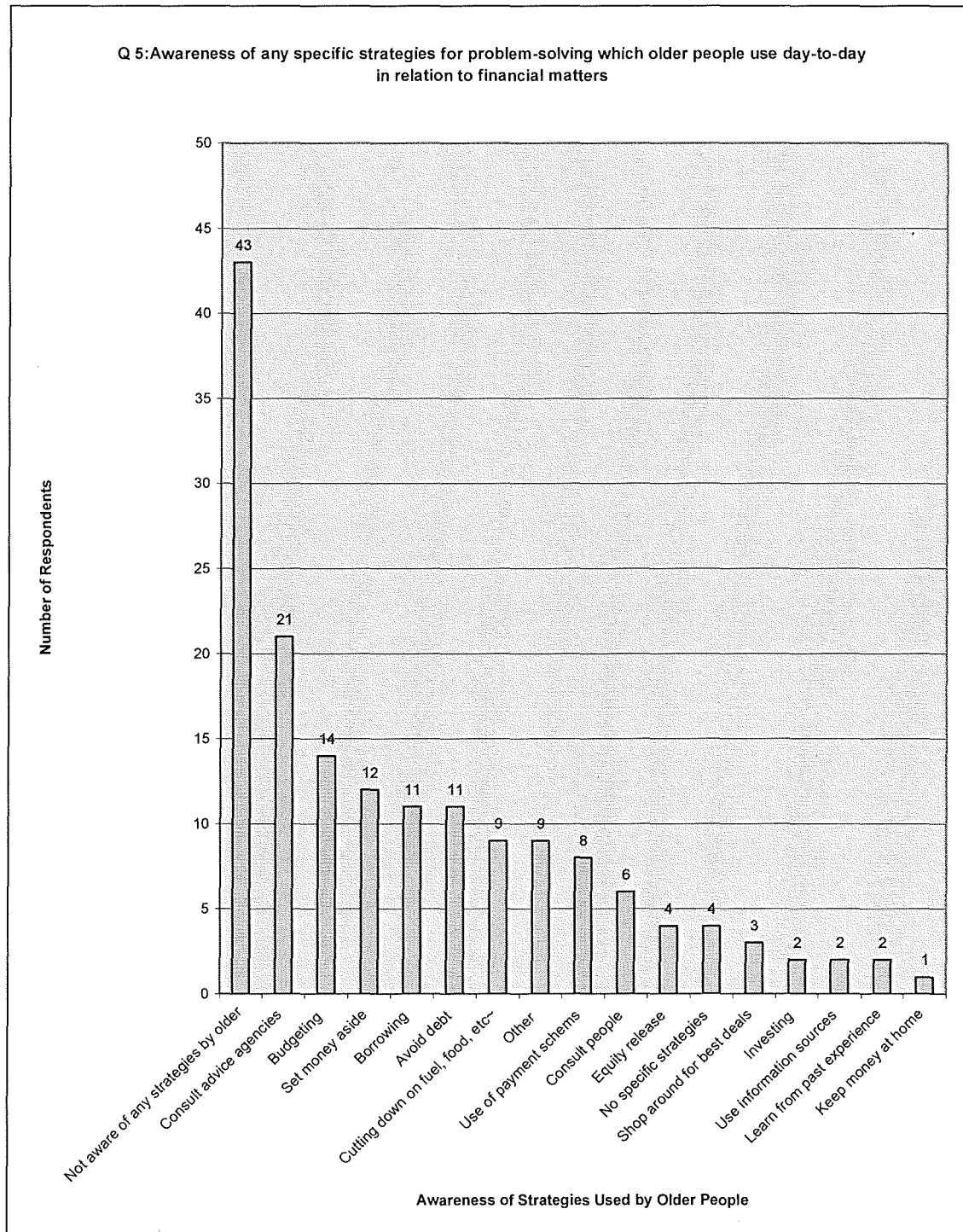
own homes and have a lifestyle that is above 'survival'?" was their query. A bank stated that market research was currently being undertaken to understand financial behaviour, perceptions and attitudes of older people, particularly the 'empty nesters' and retired. One CAB planned to run FL/basic skills classes for all age groups within a few months. Another CAB confirmed having devised an FL programme which could be adapted for all age groups, but added that lack of resources was the only bar to implementation. A third CAB hoped to develop further money advice work as well as provide court representation. Many organisations had nothing to say. It seemed that FAs were more concerned with their clients' need to plan rather than in their own need to plan in the area.

3.3.4 Awareness of specific problem-solving strategies used day-to-day in relation to financial matters

Question 5 sought to probe FAs' awareness of any specific strategies for problem-solving which might be used day-to-day in relation to financial matters. Responses could provide clues to the understanding of FL. However, there was a notable lack of interest/awareness in this area. The majority of respondents (43) stated outright that they were not aware of any strategies by older people. Some (4) went so far as to say that that people did not have any specific strategies. The overall view was that people were skimping and just about managing to survive. "Budgeting", "setting money aside", "cutting down on fuel, food, etc.", "use of payment schemes", "shop around for best deals" and "keeping money at home" were cited as coping strategies noted, and together accounted for 29% of responses. While some respondents (11) cited "avoidance of debt" as a strategy, an equal number of respondents mentioned "borrowing" as a strategy. Two CABs adopted identical phraseology: "robbing Peter to pay Paul", to describe the day-to-day situation for older people. Consultation with "advice agencies" (21) and "people" (6) together accounted for 16% of responses. Some mentioned "equity release", "investing", "use of information sources" and "learning from past experience". Some of the "other" responses indicated were:

- "more vulnerable to doorstep pressure"
- "tend to spend more on priority liabilities compared to younger people who spend more on non-priority (credit) liabilities"
- "tend not to buy 'on tick' but to only purchase what they can afford"
- "try to manage without asking for help" and
- "see benefits as charity".

Figure 8: Awareness of financial problem-solving strategies used



Question 6 developed from question 5: 'If so, how do you utilise this information?'

This was not a popular question. More than half the respondents either did not respond to this question at all or said that they did not use the information. Those who responded positively were engaged in

- provision of advice
- provision of information
- debt counselling, management and mediation
- maximising benefits
- providing assistance
- undertaking social policy work
- persuading older people that they had rights of their own

These responses could provide insights about what might be deemed to develop FL. There seemed to be a continuum ranging from provision of information, advice and motivation through to a more hands-on involvement managing and mediating in debt-related matters.

One respondent asked the question "What information?" implying that the question, as drafted in the questionnaire, could have been worded more clearly. This response provided hindsight: in the interest of clarity it might have been better to repeat part of the previous question and ask "how do you utilise this information about how older people coped with financial matters?" The shorter version of the question "How do you utilise this information" would have needed some thought and linkage with the previous question; respondents in a hurry might not have had the inclination to spend their time re-reading prior questions and making the necessary linkages.

3.3.5 Specific literature/materials produced on finance

Question 7 enquired about specific literature/materials produced by FAs on finance. Responses could throw light on any distinction between financial advice and FLE and could have implications for both FL and FLE. Some respondents confirmed using material produced by others. Only a very small percentage (4%) of those who used some material said they used computerised information systems. One respondent said that leaflets were distributed through doctors'/dentists' surgeries, old people's clubs, library etc. Another provided handouts of pre-retirement courses. Some respondents mentioned quite irrelevantly that they undertook debt counselling; perhaps they produced some material on

debt counselling, but this was not made clear. One respondent felt that they could produce material (even though they did not do so at present).

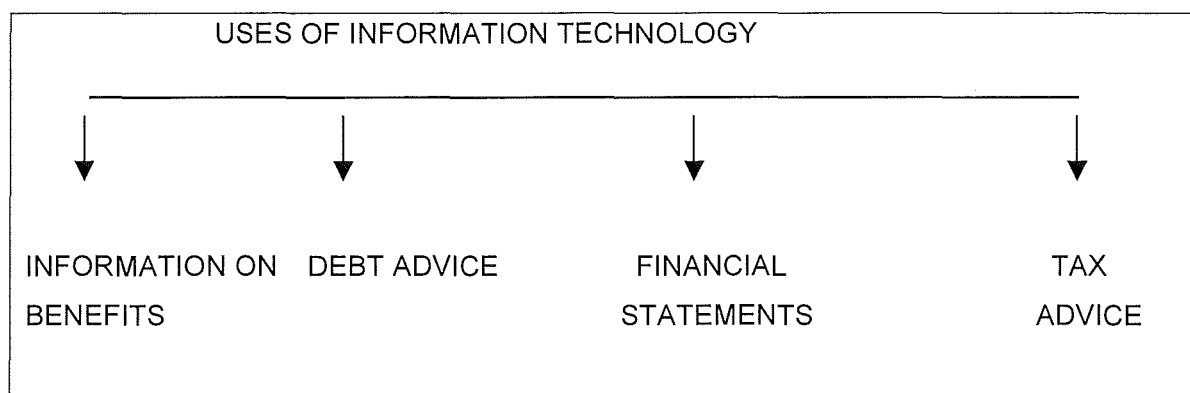
Not many organisations had enclosed material. The National Association of Citizens Advice Bureaux (NACAB) enclosed an evidence report, citing the age range of "Money Advice Clients". The age group 25-59, when "increased finances are required, for example, costs of having children, costs of buying a home or car and business costs", comprised 83% of their clients. The 18-24 category comprised 10%, and a further 5% of clients were in the 60-74 age group. It appeared that CABs who constituted the majority of respondents could have been thinking about adults rather than older adults when responding to the survey. One financial planning company, which advised mainly on investment planning in retirement, attached materials outlining areas such as wills, pensions, mortgage payments, taxation and savings/investments on which they provided advice. A CAB enclosed material on the New Deal 50 plus and pension choices downloaded from the website. A few fact sheets and brochures on CAB activities were also received. These materials seemed to be part of the financial advice imparted by the respondents. I could see a possible overlap between financial advice and FLE. It appeared that FLE could be different depending upon the population group for which it was being developed, and that FL could vary along the dimension of time.

3.3.6 Use of information technology to convey information on financial matters

The question on use of IT to inform people about financial matters seemed to be relevant as arguably FL today might need to include aspects of computer literacy. Responses could also have implications for the understanding of the use of IT in relation to FLE. Respondents were divided almost equally, with one half saying "no" regarding usage and the other half mentioning electronic information systems, email and websites provided through NACAB and others. As most of the respondents were CABs, this dichotomy was surprising. One explanation could be that one half was thinking only about their own individual branch contribution, while the other half looked at their services as part of the national service which included the services of NACAB. One CAB indicated that they did not use IT to inform the public, but were looking at ways in which they might move into this area. Another CAB felt that a simple video would be a real asset for getting the message across. Not much information was provided on levels of usage, though this was specifically

asked for in the question. However, a few uses were specifically identified and these are indicated below.

Figure 9: Use of IT



Benefits seemed to be a theme fairly high on the agenda for FAs.

3.3.7 Other comments on financial literacy

It was almost always necessary to incorporate a general question at the end of a questionnaire calling for “any other comments”, as the best thought out questionnaire could still have missed out on something that was considered by respondents to be important. The final question provided for such a contingency and asked if there were any other comments on FL. There was a notable lack of interest in responding to this question. Forty-one respondents either did not say anything or just answered “no”. Eighteen respondents felt that FL was a need for all age groups, and a further ten felt there was a general need for FL.

Some of those who responded identified main problem areas:

- Pressure to borrow, debt culture (14%)
- Problems of jargon and complexity (7%)
- Misselling, lack of impartial advice (6%)
- Poor quality journalism and literature (2%)

Some of the main needs identified were

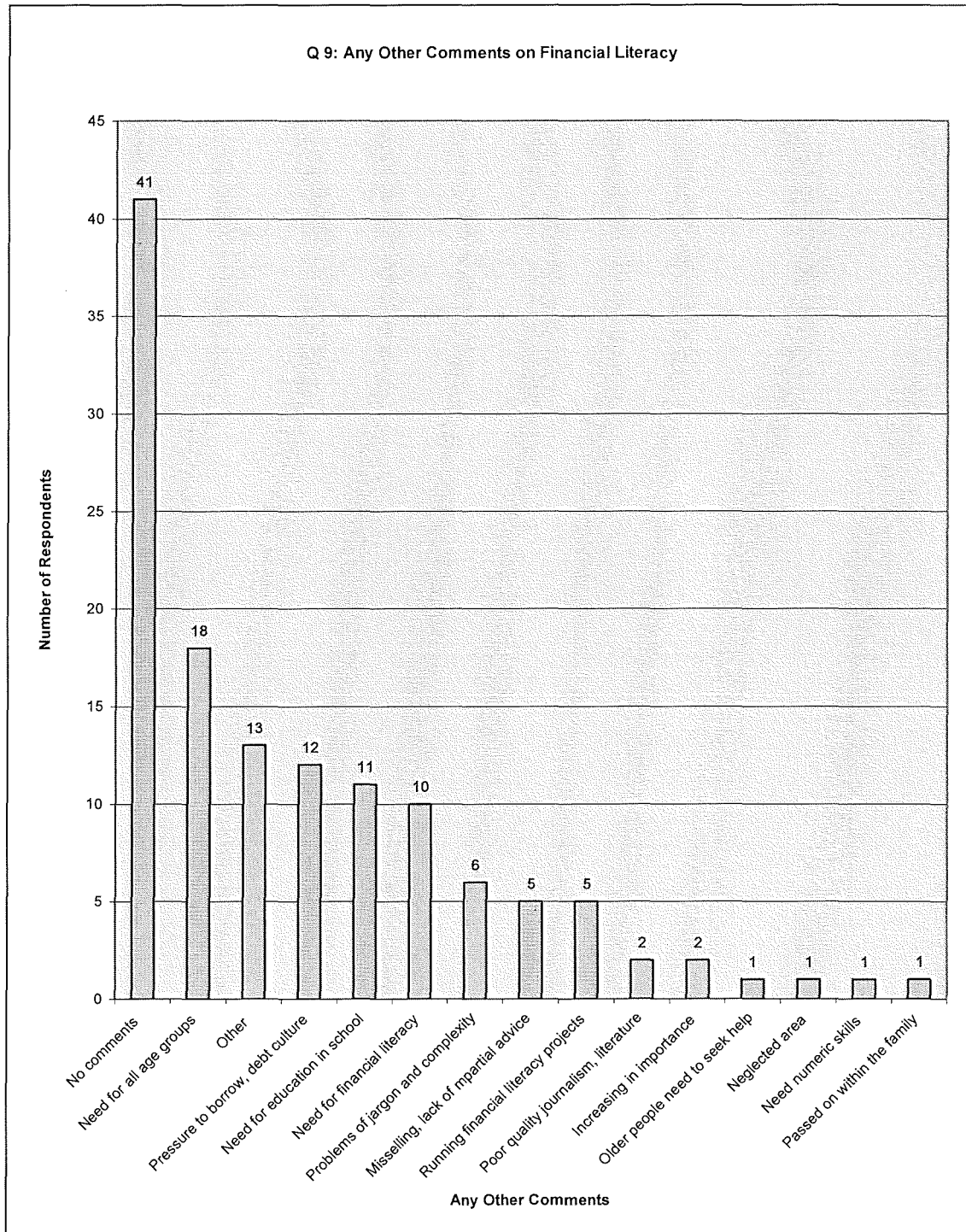
- Need for FL (31%)
- Need for education in school (12%)
- Need for numeric skills (1%)

It was also felt that this was an area which was increasing in importance (2%), that this was a neglected area (1%), and also that older people needed to seek help (1%). FL seemed to

involve issues related to indebtedness, understanding and education; there did not seem to be much emphasis on the need for numeric skills.

A financial planning company felt that "the people who seek help are very often the ones that least need it". This could imply that those who sought to undergo FL programmes might already possess a comparatively high level of FL; this view would need to be kept in mind while examining educational interventions. One CAB felt that among some older couples, "the husband took care of all financial transactions; should he pre-decease the wife she then had an immense struggle to 1) understand the overall financial picture 2) deal with outstanding issues 3) cope with decreased income". Another CAB felt that many were still "too proud to claim", while a financial planning company felt that people "left planning for too late". One major theme that emerged from those who did answer this question was that FL was a felt need. FL seemed to involve both planning and understanding as well as concrete action. The main themes are summarised below.

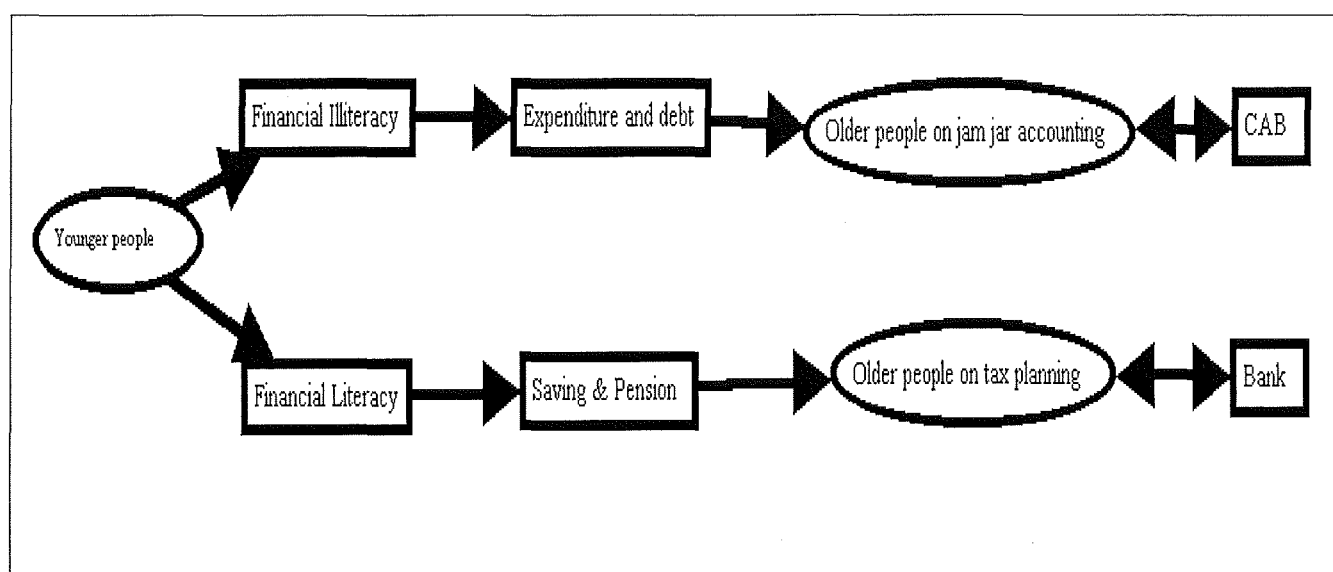
Figure 10: General comments on financial literacy



3.4 Conclusion

The first survey analysis was revisited subsequently, and further analysis is set out in section 7.2. In the meantime, a perceived link between FL and financial well being was noted. The following figure generated in NVivo provides a diagrammatic representation of that link.

Figure 11: The link between FL and financial well being



Younger people who were financially literate were perceived as likely to plan more carefully and save early and also likely to grow into older people who had bank balances and engaged in tax planning. Younger people who were financially illiterate were thought of as likely to think less about the future, spend more and get more into debt, and end up as older people on 'jam jar'¹⁵ accounting. The perceived link between FL and financial well being confirmed findings from preliminary surveys that FL was something good. Many respondents affirmed their recognition of the need for further development of FL and also their interest in developing measures to increase FL. Some respondents had mentioned lack of resources as hampering their efforts in this area. There was a general sense of

¹⁵ This refers to the practice of saving money in different jam jars for specific purposes.

urgency about the need for identifying methods that might promote FL. Consistent with the literature review, FL seemed to be viewed as something desirable but inadequate,

FAs seemed to be more interested in talking about what their clients should be or were doing rather than what they themselves were or could be doing. They seemed to be more interested in responding to questions 2 and 3 that asked them about the issues relating to older and younger people than to 4 which asked them about their current plans to discover or address relevant financial issues. There were also fewer responses to questions 5, 6, 7 and 8 which dealt with FAs' own awareness of specific problem-solving strategies used day-to-day in relation to financial matters by others, about how they used this information, about specific literature/materials on finance produced by them and about their own use of information technology to convey information on financial matters. The picture painted about clients and their struggles seemed to be somewhat bleak.

The analysis triggered the generation of further ideas and thoughts about progressing research into FL; it enabled me explore the area of my research starting from basic concepts; and it assisted NIACE in formulating policy for the development of adult continuing education. In their report 'Old Money: Financial Understanding for Older Adult Learners' (Carlton et al., 2002), NIACE looked at the relationship between older people and those who provided financial services, and the role adult education had in improving FL. This research report was informed to some extent by the analysis of FAs carried out by me towards understanding the question 'What is FL?'. NIACE's (2005:5) Briefing Sheet 63 on 'Promoting financial capability provision for older people' incorporated a reference to "the NIACE analysis survey of institutions and organisations offering service/information/analysis on financial matters, by Nirmala Lee".

CHAPTER 4 WHAT IS FINANCIAL LITERACY EDUCATION? AN EXPLORATORY SURVEY OF FINANCIAL LITERACY EDUCATION PROVIDERS

The highest form of Human Excellence is to question oneself and others.

-Socrates

The key to understanding FLE seemed to be to question those who purported to offer it. As pointed out in the AdFLAG report (2000:3), “education for adult financial literacy has never been systematically addressed. There is no defined curriculum or set of learning objectives”. In order to understand FLE, it was decided to undertake a scoping project to map the extent and types of FLE at a level considered as the minimum requirement, and this level was identified as the basic skills level. The basic skills level was defined as at or below GCSE equivalent, and this was the level that was envisaged in the national Skills for Life (SfL) strategy to improve adult basic skills¹⁶. Here, as in phase 1 of the research, the working definition of Noctor et al (1992:4) was adopted: FL was defined as “the ability to make informed judgements and to take effective decisions regarding the use and management of money.” Keeping the working definition of FL the same for the first two phases of the study was helpful and lent consistency to the understanding of related research questions. Attempt was made to identify the range and nature of the various types of FLE that were currently available to adults in England in order to address the second research question, which was ‘What is FLE?’.

4.1 Research Question 2: What is financial literacy education?

As indicated in section 1.3.12, it seemed most appropriate to address this question to FL practitioners (FLPs) or provider organisations, and a decision was taken to send out survey questionnaires under the auspices of the DfES in collaboration with the NRDC. These

¹⁶ The General Certificate of Secondary Education (GCSE) was an academic qualification awarded in a specified subject to students aged 14–16 in secondary education in England. During a much later stage of my research, I recognised that defining adult skills with reference to GCSE might have contributed to viewing adult learning as similar to the way children were taught in educational institutions.

organisations were advised about a research project aimed at identifying FLE provision, and were requested to complete and return a four-page questionnaire that I had designed¹⁷. The intention to use comments expressed within the final report was indicated in the questionnaire, and respondents had the option of remaining unattributable if they wished. Questionnaires were mostly administered via email in the expectation of facilitating speedy responses.

I liaised with the BSA, particularly their Head of FL Projects, the FSA, CABs and other relevant bodies and individuals in order to include as wide a range of providers relevant to the study as possible. Data was analysed using SPSS research software, and findings presented at a workshop at Loughborough for policy-makers, researchers and practitioners engaged in the SfL strategy. The aim was to obtain a 'sketch map' outlining the main features of current provision in England, with a view to ascertaining what was understood to be FLE by FLE providers.

As before, even questions that might be deemed to be tangential to my research question were expected to yield useful data in what was expected to be an exploratory survey. Attempt was made to examine:

Programmes

- What organisations are involved in delivering¹⁸ FLE?
- What types of FLE programmes exist and what are their key characteristics?
- In what contexts/settings does FLE take place?
- What were the reasons for the development of these programmes?
- What progression routes exist for learners on these programmes?

Capacity

- What is the current capacity in numbers of learners reached?

¹⁷ See Appendix 5 for the Questionnaire designed for FLE providers

¹⁸ During a much later stage of my research, I recognised that framing adult education interventions in the language of 'delivery' might have contributed to viewing adult learning as similar to the way children were taught in educational institutions. To a large extent, this language was unavoidable as this seemed to be the language spoken by the DfES as well as FLE providers.

-How many staff deliver FLE and what are their characteristics (e.g., part-time/full-time/volunteer; qualifications, etc.)?

Accreditation

-What accredited programmes are available?

-What forms of accreditation are used?

-What is the extent of take-up, by whom and for what purposes?

4.1.1 Analysis of respondents

FLE was perceived by BSA, which played a key role in coordinating FLE, as being offered by the education sector, the community sector and the commercial sector. For reasons indicated in section 1.3.2, my focus was on the education and community sectors. As FLE was offered by a range of diverse organisations in these two sectors, a cross-sectional survey seemed appropriate. The survey was designed to examine a wide range of issues associated with the nature of FLE provision.

The research instrument for understanding FLE was a 21-item four page questionnaire, which was administered via email to a range of institutions/individuals. Initial emails based on calls and web searches yielded further email addresses of individuals involved in FLE. Approximately 150 emails were sent out and 55 organisations responded, giving an overall participation rate of 37%. A further 50 emails were sent by way of further correspondence/clarification. In all about 200 emails were sent and telephone calls made where necessary. While most of the responses were returned via email, most CABs returned their responses by post; a few words in some of these responses were illegible, demonstrating the superiority of electronic responses in this regard.

The electronic method of data collection came with its own set of systemic problems; for example, incorrect email addresses resulted in non-delivery of the survey form, while a form sent by post might have ultimately reached the right person. There were compensating advantages: speed in administration, reduction in response time, facility to go back and ascertain further details/clarifications quickly and the feasibility of storing all responses electronically as well as in print form.

Attempt was made to contact all major FLE providers. For example, all 47 LLSCs, which were responsible for funding and planning education and training for the 16-year-olds and

above in England, were individually contacted via email. FLE seemed to be viewed as part of the development of basic skills, and basic skills seemed to be viewed from differing perspectives (a core skill development, a means of social inclusion, a part of lifelong learning, etc.) as indicated by the wide variations in the manner in which basic skills contacts were designated and organised¹⁹. The positioning of FLE within the learning context seemed to vary, and anyone desirous of finding out about FLE needed to be persistent.

¹⁹ Please see Appendix 6

Responses received were classified according to organisation type:

Table 4: Survey Two: Analysis of respondents

Organisation	Frequency	Percent
CAB	11	20.0
College	8	14.5
Credit Union	1	1.8
HA	1	1.8
LA	7	12.7
LLSC	8	14.5
Prison	3	5.5
Work-Based Learning Provider	6	10.9
Voluntary / Charity	8	14.5
Trade Association	1	1.8
Other	1	1.8
Total	55	100.0

Some did not respond within the questionnaire format, but responded with general comments. The following organisations involved in FLE provision in the education and community sectors participated in the research²⁰.

FLE providers in the education sector

- Learning and Skills Council
- Local Education Authorities
- Basic Skills Agency²¹
- National Institute of Adult Continuing Education
- Prisons Learning and Skills Unit
- Universities
- University for Industry/learnirect
- Colleges

FLE providers in the community sector

- Housing Associations

²⁰ See Appendix 7 for further details of these FLE providers

²¹ Since merged with NIACE

- Credit Unions
- Community Development Finance Institutions
- Citizens Advice Bureaux
- Work-Based Learning providers
- Voluntary organisations/charities

Some community-based organisations were participants in Government initiatives such as the Community Finance Learning Initiative (CFLI), the Savings Gateway, and the New Deal for Communities (NDC) and provided FLE along with other incentives to help the financially excluded deal with their finances. In summary, there seemed to be a wide range of providers within the education and community sectors with varying foci and scope, functioning within a range of contexts and settings, and engaged in a range of educational interventions.

The first question was whether the organisation offered/supported FLE to the general public. Of the 48 organisations which responded to the question, 56.4% answered in the affirmative as indicated below:

Table 5: Offer/Support of FLE to the general public at Basic Skills Level

Responses		Frequency	Percent	Valid Percent
Valid	Do not offer	17	30.9	35.4
	Offer	31	56.4	64.6
	Total	48	87.3	100.0
Missing	No response	7	12.7	
Total		55	100.0	

FLE seemed to be offered directly by various providers and indirectly in the form of support by organisations such as LLSCs, BSA and NIACE.

4.2 The nature of financial literacy education on offer

4.2.1 The characteristics and type of programmes offered

The second question was open-ended and asked about types of FLE programmes that were offered and their key characteristics. Types of FLE directly offered were characterised as formal or informal. Formal provision was either in the form of discrete courses or embedded within other courses. The embedded variety was the most common with FLE being incorporated within basic skills and other programmes. Five organisations reported

“informal” provision; this seemed to refer to learning that was less organised, less intense, more transitory and community related (Knowles, 1950).

Table 6: Types of FLE programmes offered: Organisations

Sector	Direct		Informal	Indirect/ Support
	Discrete	Embedded		
Education Sector	College Local Authority Council learn direct	College Local Authority/Council	College	LLSC LEA BSA NIACE
Community Sector	CAB Credit Union Housing Association	CAB Credit Union Housing Association WBL Trainers Voluntary/Charity Prisons	CAB Credit Union Voluntary/Charity	
Commercial Sector	Bank	Building Society Non-financial institution	Financial / Non-financial institutions	

Table 7: Types of FLE programmes offered: Numbers

Type	Frequency	Percent
Discrete	9	27
Embedded	19	58
Informal	5	15
Total	33	100

ABCUL and some of the CABs reported offering all three varieties. Some colleges and councils offered both discrete and embedded education. Other CABs and some of the colleges, councils, training providers, charities and prisons reported embedded versions only. One charity and college each indicated provision on an informal basis. The results were mixed. However, most providers offered FLE as embedded within the delivery of literacy, numeracy and other programmes rather than as separate programmes in their own right.

Attempt was made to map FLE according to the broad areas identified by the FSA/BSA's 'Adult Financial Capability Framework' (AFCaF, 2003), as the framework seemed to be comprehensive and widely used by FLE providers. This was thought to be the first such attempt. The numbers of positive and negative responses relating to specific areas are indicated below.

Table 8: Areas covered in FLE provision (FSA's Financial Knowledge and Understanding Component)

Responses		Different types of money/payments (e.g. cheques, credit cards) Area 1		Income generation (e.g. benefits, pensions) Area 2		Income disposal (e.g. expenditure, tax) Area 3	
		Frequency	Valid Percent	Frequency	Valid Percent	Frequency	Valid Percent
Valid	No	3	10.7	7	25.0	5	17.9
	Yes	25	89.3	21	75.0	23	82.1
	Total	28	100.0	28	100.0	28	100.0
Missing	No response	27		27		27	
Total		55		55		55	

Table 9: Areas covered in FLE provision (FSA's Financial Skills and Competence Component)

Responses		Gathering financial information and record-keeping (e.g. bank statements) Area 4		Financial planning: saving, spending, budgeting Area 5		Risk and return (e.g. interest rates, insurance) Area 6	
		Frequency	Valid Percent	Frequency	Valid Percent	Frequency	Valid Percent
Valid	No	7	25.0	3	10.7	14	50.0
	Yes	21	75.0	25	89.3	14	50.0
	Total	28	100.0	28	100.0	28	100.0
Missing	No response	27		27		27	
Total		55		55		55	

Table 10: Areas covered in FLE provision (FSA's Financial Responsibility Component)

Responses		Personal choices & the financial implications (e.g. debt management) Area 7		Consumer rights, responsibilities & sources of advice Area 8		Implications of finance (e.g. regulation, financial institutions) Area 9	
		Frequency	Valid Percent	Frequency	Valid Percent	Frequency	Valid Percent
Valid	No	10	35.7	11	39.3	20	71.4
	Yes	18	64.3	17	60.7	8	28.6
	Total	28	100.0	28	100.0	28	100.0
Missing	No response	27		27		27	
Total		55		55		55	

Payments and planning areas were reported most often, while the least reported category was the last area covering implications of finance. A number of CABs felt their provision covered all the areas identified by the FSA. Some of the main subjects covered by FLE seemed to be budgeting skills, consumer rights and responsibilities, understanding of money awareness, prioritising, debt management, understanding benefits and rights of shoppers. ABCUL, felt that the procedures of each CU "when loan granting include significant elements of FLE", indicating a possible overlap between advice and education.

Some cited key characteristics of FLE as "independent living skills" such as budgeting, debt management, income maximisation, using and opening bank accounts. It was felt that even though many people might have low basic skills they often had a lot of savvy/common-sense in order to have 'got by' in the system so far.

4.2.2 The context/settings and type of offering

FLE appeared to be something that could be offered within a range of contexts and settings: in community centres, one-to-one/individual, small groups and online; in schools, training centres, job centres, unions, business premises, CABs, prisons, probation service premises, drug action teams, homes, sheltered housing and residential care settings; within other

programmes such as basic skills, family learning, SureStart, FMA, Rathbone, ESOL and FE. Some organisations mentioned more than one setting. Community centre setting was mentioned most frequently comprising 20% of the number of contexts cited by respondents. FLE appeared to be mostly face-to-face provision as indicated by colleges, CABs, ABCUL, councils, WBL training providers, HAs, prisons and unions. While distance learning and electronic provision were rare, the learndirect centre was enthusiastic, mentioning that FLE could take place “anywhere there is a PC with internet”.

4.2.3 Progression, accreditation, qualifications and student numbers

Was FLE a qualification and did it involve progression routes and accreditation? Eleven out of the twenty eight respondents said that no progression was available. Some of the progression routes identified by the other respondents included National Tests/Certificates, A-level/College/Access, Key Skills/literacy/numeracy, Level 2&3 courses, Local Adult Community College, Further basic skills courses, post basic skills financial literacy, Chartered or Certified Accountant status (after NVQ), NVQ levels 2,3 and 4, GCSE and Vocational qualifications for employment in financial services. Only one respondent identified progression as “out into work”, getting out of prison or young offenders’ institution into gainful employment.

Of those who responded, 64% said there was no accreditation. Nine respondents confirmed that there was some form of accreditation or qualification awarded for the FLE course. Thirteen respondents indicated some form of accreditation/qualification, which included City and Guilds (C&G) (e.g. Entry Level Learners C&G 3792), National Test, Adult Basic Education (ABE)/Basic Skills Qualification/Basic Skills Agency, College Certificate, Open College Network (OCN) and National Vocational Qualification (NVQ). One respondent felt that “assessment must be suitable and not engendering a fear of assessment or failure”. Only five organisations comprising a training centre, a crime charity, a college and two prisons, furnished numbers of people who gained a qualification as a result of FLE provision/support.

Generally the CABs quoted student numbers over 100, whereas colleges and training providers reported figures below 50. ABCUL said that “if approx 200,000 loans are granted by Credit unions each year, possibly 100,000 would benefit from some form of FLE Advice”. The phrase ‘FLE Advice’, as well as the wide variation in student numbers reported from 5

to 500,000, seemed to indicate that FLE might be viewed differently by different organisation: as comprising courses or advice or a combination of both.

4.2.4 Funding

The questionnaire asked respondents whether they were LSC-funded, non-LSC funded, voluntary/charity or any other. The majority indicated LSC funding, representing 100% of colleges, 40% of CABs, 65% of WBL providers and 50% of voluntary/charitable institutions. Prisons were “funded through ring-fenced budget from DfES” from Offenders Learning and Skills Unit (OLSU). One CAB said they received part funding from Legal Services Commission, revealing a flaw in the questionnaire design: LSC could mean Learning and Skills Council as well as Legal Services Commission, the latter of which I had not been aware of when I designed the questionnaire. DAWN, Northumberland mentioned funding by Citizens Advice Financial Skills for Life. Harambee Training which received LSC funding indicated that they were trying to move away from LSC funded programmes due to the increasing burden of managing the LSC contract. The learndirect centre mentioned European Social Fund (ESF) projects in addition to LSC funding. The Head of the Adult and Community Learning Fund (ACLF) at the BSA referred to funding made available to deaf learners; RNID received ACLF funding to develop FL materials specifically for deaf learners. Other funding sources mentioned were the local network family fund provided through LEA as part of Local Public Service Agreement (LPSA) with government, and funding available for NDC projects benefiting specific neighbourhoods.

FLE providers seemed to be reliant on the support of funders, primarily “centralized educational bureaucracies” (Whitty and Power, 2000:93), and the FLE offered was likely to be FLE as public funders understood it. The rigour of having to meet expectations of paying learners seemed to be absent. On the contrary, learners were often incentivised by payments in order to participate in FLE; prisons for example, reported that prisoners were paid for attendance at education classes. It was possible that the understanding of FLE could be skewed by pressures to meet government targets and deadlines. Public funding policies were also known to lead to injunctification, a tendency to construe the current status quo as the most desirable and reasonable state of affairs, and as the most representative of how things should be (Kay et al., 2009).

4.2.5 The people who offer FLE: types and qualifications

FLE seemed to be considered as something that could be offered by full-time, part-time, or voluntary staff with or without qualifications over varying hours, days or weeks. CUs and HAs generally employed full-time staff, whereas CABs, colleges, WBL providers and prisons employed more part-time staff. Full-time did not necessarily mean full-time permanent; for example, Harrow had appointed a full-time coordinator for the Canons Cluster Project (CCP) but the position was a short term contract with the LEA. Others like DAWN said FLE was delivered by volunteer peer educators. There were wide variations.

Some respondents indicated that their staff had no qualifications and others remained silent. Twenty seven respondents indicated some kind of qualification, but these were widely divergent. Some of the qualifications met with the requirements of Essential Skills tutors; others did not. It appeared that FLE was thought of as something that anyone with "experience", "advice background" and even "money worries" was qualified to offer.

4.2.6 The reasons for FLE: for students and providers

Providers cited various reasons reported by participants for undertaking FLE. FLE was viewed as something that might prevent indebtedness as well as improve knowledge, confidence, understanding, employability and earnings. One of the prisons indicated that a level 1 qualification would enable prisoners to be employed in prison workshops where they could get higher rates of pay; it was also perceived as being helpful in avoiding debt and staying out of trouble with the law. A council and college both mentioned response to children out-pacing their elders as a reason for taking up FLE.

As might be expected, providers' reasons for developing FLE programmes were similar to those ascribed to participants for undertaking them. FLE was viewed as something that might prevent indebtedness as well as improve awareness, confidence, understanding and earnings. FLE was believed to be key to tackling deprivation, vulnerability and financial exclusion. There was a view that while there was a need to expand provision that may engage people back into learning, 'basic skills' sessions carried a lot of stigma. Gloscat mentioned response to client need and media interest. HMP Edmunds Hill Suffolk felt that better money management by ex-offenders may be a key to avoiding re-offending.

4.2.7 Future plans?

While 50% of respondents confirmed that they had future plans in relation to the development of FLE, 9% had no plans for the future and 40% did not respond. Tower Hamlets College said that they would like to extend provision in the future and that they found FL "rewarding to teach and useful for the students". Norton Radstock College said that they were "very excited" about FL and were "planning a huge promotion for courses to start in the autumn", though they did not have any course running at the moment. City College Manchester was "about to launch FL programmes". The Isle of Wight College had no FLE in place, but it was their intention to start. Gloscat wanted to produce an interactive CD for distribution. One college wanted to offer more FLE tasters, and another college intended to develop further courses within community settings and planned increase in numbers in 2004-05.

The London and Quadrant Housing Trust (L&Q) hoped to work with an FE college in the near future. They hoped that their CHANGE initiative would eventually be able to offer its services across London. Havant CAB hoped to expand in future if financially assisted. CAB Salford was "working on developing" a programme. Wythenshaw CAB in Manchester: was planning to start an FLE project in Manchester district; they had set up a 15-member FLE strategy group which was a mixture of volunteers and paid staff, and hoped to get funding for one paid worker to deliver FLE. One LEA indicated that they were considering FL as part of their Family Learning programmes. One of the NDCs said that a trainer was being funded to recruit learners, that further modules would be written on topics such as 'the Internet and finance' and 'insurance', and that their module titles would reflect demand.

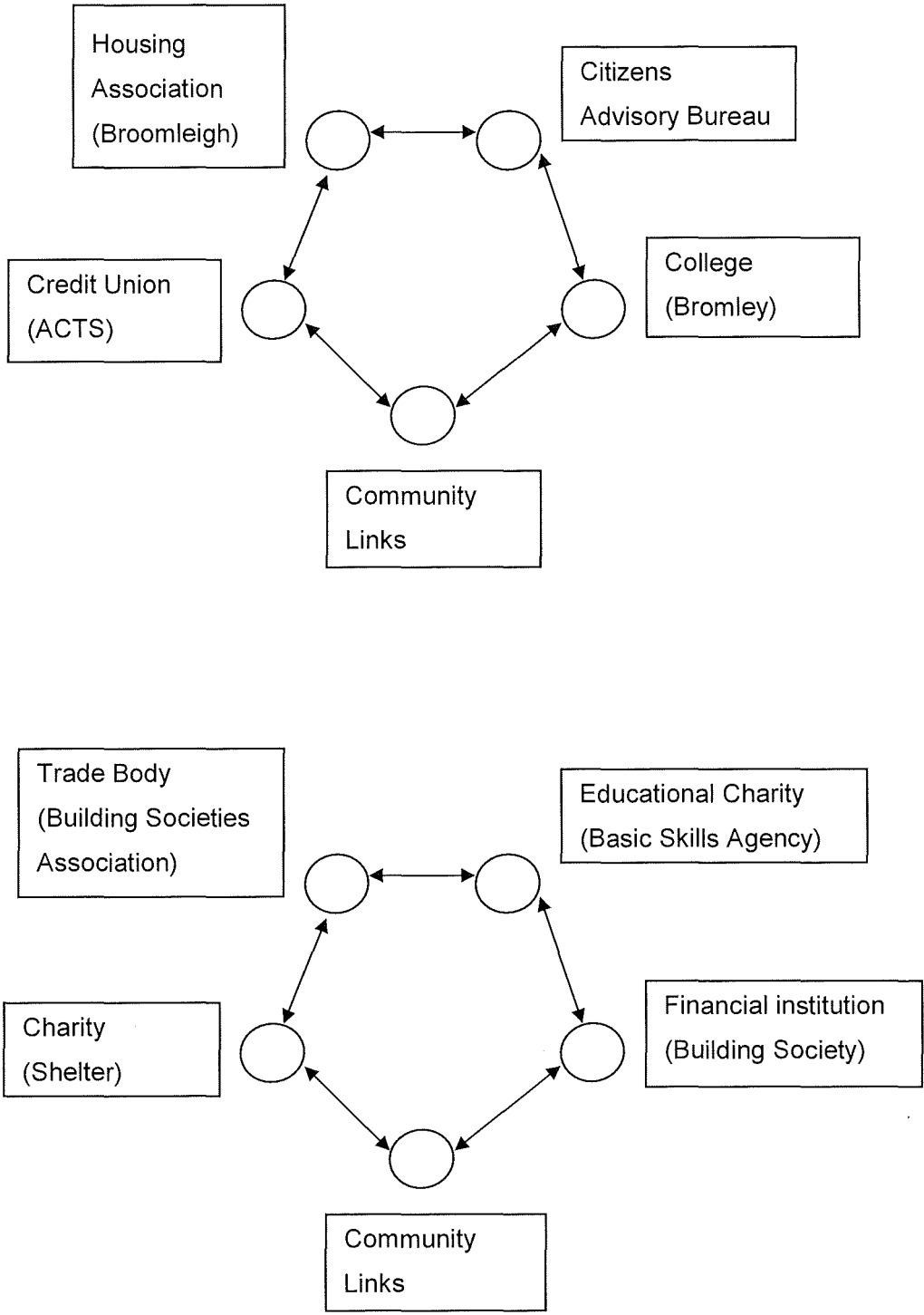
Bullwood prison did not offer FLE at present but planned to do so in the near future. They intended to link this with basic skills programmes and were about to trial a CD-ROM on FL with the BSA. The BSA referred to plans by the Offenders Learning and Skills Unit at DfES to use CAB volunteers to deliver FLE, and to the imminent trialling of a CD-ROM from the BSA Money Sense programme. FLE seemed to be a growing area.

4.3 Other Research Findings

4.3.1 Collaboration in provision

FLE was found to be often collaborative in nature. The Community Finance and Learning Initiative (CFLI) partnership for instance involved community based organisations such as CABs, CUs, HAs and Colleges. The pfeg was a coalition of leading financial services trade associations and individual institutions. The Building Societies Association worked with charities such as the Money Advice Trust, and Shelter the housing and homelessness charity with whom they published a guide to coping with mortgage arrears. The Association worked with the BSA on the Bridging the Gap video showing how building society staff should help customers with basic skills problems.

Figure 12: Collaborative FLE provision



4.3.2 Conclusion

FLE was found to be often collaborative in nature, offered as discrete units as well as embedded within other programmes such as basic skills and ESOL. FLE was more often in the context of deprivation, vulnerability and poverty than in the context of high earnings. There was no evidence of any consistent accreditation of programmes or progression routes in FLE. Overall, FLE seemed to be piecemeal and patchy.

The analysis triggered the generation of further ideas and thoughts about progressing research into FLE; it enabled the exploration of the nature of FLE and FLPs; and it assisted NRDC in formulating policy for the development of adult literacy. Research findings were published in the report co-authored by me titled 'Financial literacy education and Skills for Life' by NRDC for DfES²² (2005). Arguably, all the educational channels encountered in this research could have a significant role to play in raising FL. Further research was necessary to ascertain which forms of FLE might be considered to be effective.

²² See a list of my publications in Appendix 20.

CHAPTER 5 WHAT MIGHT BE THE COMPONENTS OF AN EFFECTIVE FINANCIAL LITERACY CURRICULUM? OBSERVATION AND COBAL EXPLORATION

Saying is one thing and doing is another.

-Montaigne

It was well known that what people said was not necessarily what they thought or believed in or did. It appeared that for various reasons people involved in FLE might feel compromised when responding to surveys. That survey respondents are able and willing "to recall with precision their involvement in specific events" is "presumed" (Felstead et al., 2004:5) rather than proven. People could profess certain views in questionnaires and interviews, which did not coincide with what they actually believed in or followed. Observation could overcome this drawback and serve as a useful method of judging the veracity of data collected through survey research. In order "to collect meaningful data" it was necessary for the observer to obtain "access" (Unwin et al., 2007:2) to events as they happened and keep an open mind that was receptive to what was happening. My prime motivation as an observer was to "find out what was going on" (Robson, 1993:193).

5.1 Research question 3: What might be the components of an effective financial literacy curriculum?

The third research question was: 'What might be the components of an effective FLC?' The questions asked in phases one and two were derived from my past experience as well as from literature, and were broad and open-ended; as the research progressed to phase 3, issues related to the area under investigation emerged more clearly, and questions were formulated in a "more refined and specific" form (Strauss and Corbin, 1998:53). It was necessary to address questions relating to FL and FLE prior to attempting the more focused task of examining the components of an FLC that could contribute to the effectiveness of FLE. A curriculum comprised "those processes and that content designed to effect learning of educational value" (Walton, 1973:18). The design and content of the curriculum would have an impact on the effectiveness of FLE and the improvement of FL. Thus research question three arose from, and had implications for, questions one and two as appropriate to the grounded theory approach adopted for the research.

5.1.1 Understanding in different ways

The method of enquiry adopted for the first two phases of the research had primarily comprised self completion questionnaires, moderated to some extent by interaction with 'key informants' who were strategically positioned to both develop and inform policy in regard to FL. However, it was recognised that self report had a number of limitations: respondents might not be informed, might not remember and might not be articulate. Some respondents might be unwilling to answer because of the effort needed or because they considered the information as sensitive or inappropriate for disclosure (Malhotra and Birks, 1999). Furthermore, over-reliance on just one main method of investigation carried its own limitations. There were different ways of understanding a subject area, and adherence to a single method of data generation might result in an unduly restrictive research approach. As suggested by Brewer and Hunter (2005), a synthesis of different research techniques such as surveys and observation could provide greater opportunities for both verification and discovery.

It was therefore decided that observation and interviews would also be used as research methods. Enrichment of the quality of evidence was sought to be achieved by further data collection from samples of FL course participants who would be (1) end-users (2) FL educators and (3) educators of FL educators. End-users would be selected from among the participants of courses offered by respondents of the survey for research question two; FL educators would be selected from participants of a programme offered at a London university; educators of FL educators would be selected from participants of a programme offered by a national body. FL educators, while also consumers in their own right, were expected to have greater insight into the effectiveness of curriculum components than those who were only consumers, and were considered to be an important part of the sample. Data gathering was envisaged to be in the form of observation of FL courses and interviews with participants of the FL courses that had been observed. In addition, discussions with key informants and peers were also envisaged. Purposive sampling continued to be preferred as being more adaptable (Robson, 1993) and providing more scope for using one's judgement in relation to the choice of subjects required for meeting the needs of the research.

Accordingly, the following data gathering plan was drawn up.

Table 11: Date gathering plan for observation and interviews

Research Method	FL Course	Organisation/Data Source	Place	Approximate number
Observation	Training the Trainer of Trainers	A national body	Warwick	Course: 1
Observation	Training the Trainer of end-users	A London university	London	Course: 1
Observation	Training the end-user	CAB, HA, LA or other organisation to be chosen from the participants of Survey 2	London	Course: 1
Interviews		Participants of the national body's course	Various locations	Interviewees: 5
Interviews		Participants of the London university's course	Various locations	Interviewees: 5
Interviews		Participants of CAB, HA, LA or other organisation's course	Various locations	Interviewees: 5
Discussions/ interaction		Key informants such as the FSA, NIACE, BSA, Financial Literacy and Older People's Advisory Group, Financial Literacy Accreditation Working Group (FLAWG), Financial Services Skills Council (FSSC), Teachers and Trainers of Financial Services (TTFS)	Various locations	Discussants: 20
Total (subject to theoretical saturation)				Courses: 3 Interviewees: 15 Discussants: 20

5.2 Observation of financial literacy courses

While the first two survey questionnaires had “been employed for the collection of both quantitative and qualitative data” (Bryman, 1992:70), data analysis had been largely quantitative in approach. The intention now was to adopt a less quantitative approach than that used during the first two phases of the research. I therefore considered pre-prepared

observation schedules, coding schemes and checklists as unnecessary and even undesirable for this phase of the research. The objective now was to obtain deeper insights.

Two extreme approaches could be adopted for the observational method of research: participant observation where I fully engaged with others as a participant in some capacity, and structured observation which might tend to be detached and distant. I decided take a middle path and adopt what Robson (1993:190) called a “pick and mix” approach; I would use elements of both approaches and perhaps a hybrid variation dependent upon the possibilities offered by the situation. For example, for the course for teachers where I was also the course facilitator, my participation was not limited to observation alone, but also encompassed conversation and other forms of active social interaction (McCall and Simmons, 1978, Schatzman and Strauss, 1973); for the other courses my participation was minimal. In all situations I was to some extent recognised and known as a researcher.

While observation was thus unstructured to a great extent, I made notes as events unfolded in order to capture available data for further analysis. I also collected a sample of all material handed out during the various courses. While attempting to capture the ‘reality out there’ in the FL course classrooms, I was conscious that my notes would necessarily embody interpretive elements that another researcher in my position might have missed or interpreted differently. Different observers would record different notes and interpret the dynamics of the classroom in entirely different ways. These were some of the hazards of qualitative research but such research was required to supplement the more quantitative analysis and data produced by earlier survey research.

5.2.1 Financial literacy course for teachers of teachers of financial literacy (TTTs)

This was a free two-day workshop/course offered by a key organisation involved in developing basic skills. It was called ‘Train the Trainer: Teaching and Delivering Financial Literacy and Basic Skills’, and aimed at tutors “training other tutors in how to teach and deliver Financial Literacy and Basic Skills.” The organisation sent out emails indicating that it was looking for tutors from all over England who taught literacy, numeracy or ESOL. Interested individuals needed to apply for the course, and were promised to be given a fast track introduction to FL and the opportunity to plan the delivery of subsequent workshops in how to teach and deliver FL through literacy, numeracy or ESOL programmes. Participants

were offered free boarding and lodging in an expensive hotel at Warwick and also given the opportunity to compete for employment as trainers of FL tutors. Applicants who were successful in getting a place in the course knew that during the course they would be observed as well as required to attend interviews and demonstrate their teaching abilities in a 'micro-teach' session, at the end of which some would be chosen to carry out FL teaching responsibilities. In a sense, the course also seemed to be an extended form of job selection.

Participants seemed to be on their best behaviour during the course and uniformly expressed passion about FL. Would these trainers be willing to offer an independent and unbiased view of the course, whose travel and accommodation costs were met by an organisation which was empowered to employ them either immediately or possibly after some time? There could be "potential conflict, or confusion, between the roles of an interviewee and normal professional roles" (Powney and Watts, 1987:9).

The first day of the course started with initial announcements about the availability of 30 CPD hours for the course, followed by a request to participants to introduce themselves, indicate their backgrounds, and whether any of them were unfamiliar with literacy and numeracy programmes. I was introduced to the participants as an observer and FL researcher who would be contacting them sometime after the course in order to interview them on their course experience. I was also allocated some time to set out and collect interview consent forms that willing participants could sign up for.

A team of four tutors offered the programme. The person introducing the programme talked about "models of delivery", "delivering FL topics", issues to consider when "delivering FL" and developing SfL programmes using the FL context. There were discussions on AFCaF, resources to adapt at FL courses and delivering literacy, language and numeracy through finance. Participants were given post-it notes and asked to jot down their names, which hat they were wearing (literacy, numeracy or ESOL) and asked to spell out their expectations from the course. The organisers promised to "try to fit" participant expectations within the course content. Considering that participants had already been given two files of papers and a detailed programme that spelt out the content minute by minute, I was not certain as to what extent the organisers would be able to fit in participant expectations and demands if they varied from the pre-prepared course content.

A second tutor explained the layout of the files that had been given to the participants: the file with yellow pages about “teaching” FL and BS, and the file with blue pages about “delivering” literacy, language and numeracy through finance. The first file related to the course being attended, and the second to the course that “some participants will be asked to deliver”. The main agenda items were the AFCaF, programme design, adapting resources, issues to consider when delivering FL, resources to support planning, developing Sfl programmes using FL context, accreditation, developing provision and plenary.

I looked at the material in the files and at the case studies provided. One was about “Sam” who was 23, wanted to move from her parents’ home and live independently, and “claims benefit”. Another involved checking a shopping list with what had actually been bought and not bought: it transpired that “Irina” had forgotten to buy coffee that had been on the list, but went on to buy crisps and bread that had not been on the list. There were handouts listing a range of resources and websites. A set of cards were introduced indicating various resources such as ‘Moneytalk’, ‘Money-go-round’ and ‘Confident Consumer’. I noticed some out-of-date material in regard to one item.

Attention was invited to ‘Debt Manual’ and ‘Benefits Manual’ priced at £35 each, and reported to be updated every year, and to the Personal Finance Handbook (Lowe, 2007) which was updated every two years by the Child Poverty Action Group (CPAG). It was claimed that “everything needed to train” FL teachers had been made available. About 35 items were arranged on a display table in a corner, and a person stood ready to take participants through the resources; I took pains to write down the titles/description of each item, and collected a large bag full of samples. References were made to a DVD produced by NIACE which would be available to trainers at a cost of £10 or £15, and the website at www.moneymatterstome.co.uk/ which was described as being continually updated. (At a subsequent date, I decided to look up the website, randomly clicked on its budgeting section, and looked at a case study which referred to a couple called Julie and Rajesh receiving child benefit of £15.50 per week for their only child. I then looked at the www.direct.gov.uk website and found that the current rate was £20 per child with effect from 5 January 2009, and it had earlier been £18.80, which meant that the case study had not been updated for some time. It may be argued that it was a hypothetical case study with hypothetical child benefit rates, but at least some surfers may have been misled into thinking

that the rate of £15.50 that had been introduced in April 2002 continued to be current. Later on, discussion with a key informant revealed that the website had indeed been in need of updating.)

A PowerPoint presentation indicated FSA's 'Learn Online' as a resource; the presenter commented that he had "not known anyone use the material". (Some months later, I visited this site described as "an online learning programme, including a quick financial planning questionnaire, information about opening and using a bank account, borrowing, insurance, saving, investment and pensions, advice on how to buy and the standards you should expect and interactive 'checkpoints' to test understanding and knowledge". The material in general and principles in particular were sound and well prepared. Why was this site neglected and "not used"?)

Participants were asked to sit in groups of 3 or 4 and given envelopes containing bits of paper indicating pre-typed words such as "consumer rights". The required activity was to match up the bits of paper with the AFCaF reference numbers within 5 minutes. It seemed to be good fun particularly when the announcement was made that only 30 seconds were left. The organiser then announced that it was a "very good exercise" as it got people into the framework and enabled them to "work out which bit goes where". I had heard from a trainer on another occasion that she had asked her end-user participants to undertake a similar exercise. Would the knowledge that consumer rights could be classified under reference numbers (h), B(h) or D(h) of AFCaF be vital to the development of FL?

Participants were divided into groups depending on whether they taught numeracy, literacy or ESOL. This seemed to be a useful strategy to facilitate more focused discussions. A slide presentation was made followed by group discussion on various issues. Some of the questions that were taken up for discussion seemed important, e.g., "What do we use as FL assessment tools?". The group consensus seemed to be that this involved finding out what learners wanted. This answer seemed to be too broad, and I wondered why specific assessment tools had not been investigated.

A third course organiser then set out her wares which were both interesting and stimulating. Participants were introduced to mind mapping software, and a wireless interactive keyboard which was passed around from person to person. Cheaper versions of the keyboard were

said to be available from £90, and the feasible distance from the screen ranged from 2 to 7 metres. Participants could type within text boxes and press 'enter' twice for their text to appear on the computer screen in front. The course organiser could carry a wireless mouse around and point from far off. The technology was seen to be interactive and seemed capable of arousing participant interest in a new way of communicating with each other. Later, there was further display of technology with the introduction of voting sticks that functioned like remotes which course participants could use to indicate their answers to multiple-choice and other questions. The answers needed to be preset in advance, and each participant allocated with a number, enabling the course organiser to identify the answer chosen by a particular participant as well as ascertain who had not yet made a choice. Care needed to be taken to ensure that batteries did not run out. Participants were told that 'Word' could use "drop down menus". There were also board games such as 'Pass the credit test' to be played.

Various qualifications were considered. The Northern Council for Further Education (NCFE) offered a 'Foundation Certificate in Personal Money Management'; the Open University (OU) offered a module on 'You and Your Money'; a college offered a course described as 'lower level than university level'. FL seemed to be equated to a certificate that needed to be attained. There was no discussion on qualifications held by FL tutors.

The grand finale seemed to be the micro-teach sessions on day two which participants were asked to present to their groups. They could use laptops and PowerPoint, flip charts and pencils, post-it slips or nothing at all. The process included feedback and sharing of opinions. To the organisers, these sessions were the second stage in the selection process; the first stage of interviews had happened late the previous evening to which I had not been invited. To the participants, this was part of the process that would determine whether they were successful or not in securing paid/funded tutor positions within the organisation that was hosting the course. To me, it was an opportunity to look at how FLPs practised. I was able to observe five ten-minute micro-teach sessions, which were presumably attempts at 'best performance' by individual FLPs. The sessions seemed to be pitched at quite a low level; one tutor for example stated that he would use the 'big cards' to make participants understand what a credit card looked like. Another said that he would distribute Argos catalogues and ask participants to see how they could relate AFCaF to the catalogue.

The course had merits, and there was much effort to build awareness of the variety of FL resources that were available as well as technology that could be used to make learning more interesting. Module outlines provided in publications titled 'Financial Literacy: Short Programmes' and 'Financial Literacy: Literacy and numeracy in a Financial Context–Modular Programmes' seemed to provide useful suggestions for course content, but did not contain details/nitty-gritty that might be needed to build confidence in dealing with financial issues. There seemed to be more interest in discussions relating to funding, marketing and logistical issues, not surprising considering that this would be a source of livelihood for the FLPs. There had been a commendable amount of resources 'at Levels 1 and 2' on display on a separate table, but the level seemed to be lower than what might be required to navigate the real financial world.

Observation of this course led me to conclude that higher levels of FLE were needed to foster confidence and enable practitioners to understand issues and deal with queries relating to the financial world. This conclusion was supported by findings in 'An Assessment of the Training Needs of Financial Capability Practitioners' (Goro, 2006)²³ that had been recently published.

²³ This publication acknowledges the "value" of "discussions with...Nirmala Lee".

5.2.2 Financial literacy course for teachers of financial literacy (TTs) / CoBAL exploration

This was a course that I had developed with the benefit of ongoing feedback from of policy makers, practitioners and educators (Lewin, 1946, Carr and Kemmis, 1986); this was made possible by my involvement as a member in a number of groups, wherein key individuals were engaged in interaction with each other in a collaborative manner (Bales, 1951). These groups included the FSA/NIACE's Advisory Group on FL for Older People, BSA/NIACE's Financial Literacy Accreditation Working Group (FLAWG), FSSC's Providers' Steering Group, Directorate/Council of the Teachers and Trainers of Financial Services (TTFS), and peer groups interested in Action Learning (AL) and curriculum exploration at LondonMet²⁴.

This course evolved as part of the exploratory process of this research. Various issues had seemed to emerge in relation to the current offering of FLE. The level seemed to be too low; courses were rudimentary and did not seem to add much value. The focus seemed to be on imparting knowledge rather than enabling the development of skills and competencies. There seemed to be hardly any attempt to facilitate individuals to put learning into practice. There had been no attempt to apply rigorous academic models of learning such as those designed by Gagne (1985) and others to the development of FL. And, while the FSA's Financial Capability baseline survey in 2006 had identified distinct and valid domains of FL, no curriculum had as yet been developed along the lines of these domains²⁵. Accordingly, when I was approached by both a national body and a London university to develop an FLC at a higher level than that which was currently on offer, it seemed that exploring a curriculum that addressed some of the issues of concern could be the logical next step in the evolutionary process of the research.

The course was advertised as a two-day short course for FL trainers, and in this regard was similar to the one offered for TTTs that I had observed. However, unlike the TTTs' course it was not free and did not offer job prospects; it did not pay for travel, boarding and lodging or provide residential accommodation, and so there was not much scope for late evening

²⁴ See Appendix 17 for an indicative list of interaction opportunities.

²⁵ See also section 7.1 for a critique of current approaches.

activities. I was the sole tutor, whereas a team of four persons had facilitated the TTT course. Unlike both the TTTs' and Ts' courses, this was the only course that charged a fee (£200 per person). 'Paying participants' were likely to be more critical in their course feedback, and this could aid further curriculum exploration.

The course was aimed at 'teachers'²⁶ of FL' or TTs as against the TTTs' course aimed at 'teachers of teachers of FL' or Ts' course aimed at end-users. The course flyer²⁷ was put up electronically on the university's website as well as distributed in print form. The course was positioned as a programme for FL teachers and workers and those who would like to teach or work in financial literacy settings, relevant to FE colleges, training providers, community organisations, voluntary sector, HAs and others, and as counting towards CPD.

The course material is appended to this thesis as Appendix 13 in the form of a CD-ROM²⁸. The material is far from 'perfect'. It almost certainly contains some material that has gone out of date due to the lapse of time. It may contain other deficiencies both known and unknown to me. Nevertheless, due to the advantage of the written parts of the curriculum being available in entirety, lengthy descriptions of course material can be avoided within the body of the thesis, and attention focused on areas where it is considered to be 'different'.

Firstly, and arguably, it was the first programme for FLPs that was pitched at a higher level or 'Level 4'²⁹. While there were a plethora of FL programmes at Level 2 and below, very few organisations that offered FL programmes were qualified or equipped to develop a programme at 'Level 4' equivalent to Level One of an undergraduate degree programme, and none was known to have offered FLE to FLPs at this level. I had heard participants

²⁶ I recognised that framing adult education interventions in the language 'teaching' might distort the understanding of adult learning; however, to a large extent, this language was unavoidable as this seemed to be the language spoken by the BSA as well as FLE providers.

²⁷ See Appendix 14.

²⁸ The CD-ROM comprises ten items including four PowerPoint presentations, four Word documents and Excel spreadsheet exercises; for copyright and other reasons, 'Vijay Lee' is also indicated as a co-author in one.

²⁹ I recognised that labelling the course as Level 4 might contribute to the viewing of FLE as a qualification that could be certificated, but it was useful in order to convey its higher level of rigour.

voice their dissatisfaction with the perceived low level of the education that was on offer, and this was an attempt to address the need for higher levels of understanding in relation to FLE.

Secondly, while the curriculum was mapped to the FSA's AFCaF as something FLPs might both expect and be familiar with, this was arguably the first time³⁰ that a curriculum was developed along the domains identified in the FSA's Financial Capability baseline survey (Atkinson et al., 2006). The FSA's Baseline Survey had identified five domains: 1) Making ends meet 2) Keeping track of finances 3) Planning ahead 4) Choosing financial products and 5) Staying informed about financial matters. I considered 'keeping track of finances' as part of 'making ends meet', (which I preferred to describe as 'money management') and 'staying informed' as common to all domains. The five domains were therefore telescoped into three with a view to providing a more concise and focused curriculum within the short time available. Some overlap between domains of financial literacy was acknowledged; for example, budgeting was required for making ends meet, for keeping track of finances and planning ahead.

Thirdly, the curriculum emphasised competency-based learning (Herschbach, 1992, Herring and Bryan, 2001) as involving a "high degree of specificity associated with competency-based training systems" (Eraut, 1994:161) that might facilitate the accomplishment of financial tasks in a real world situation. I defined competency in a "behaviourist tradition" (ibid:169, Norris, 1991) as the performance of something to a required standard of expertise. Competency and competence based approaches to education had been variously critiqued as reductionist, static, atomistic, based on never-ending specifications, too detailed and burdensome, too complex and costly, too narrow, elementary and leading to a mechanistic individualism (Hyland, 1994, Barnett, 1994, Armstrong, 1992). However, like Armstrong (1995), I "accept[ed] that they have been and continue to be valid theoretical perspectives" and adopted "a more creative" and "progressive" perspective in relation to their use in FLE. Competency involved "the measurement of achievement in terms of outcomes, that is through the demonstration of

³⁰ Much later in 2010, the FSA decided to offer grants to Universities for developing a course module along the lines of the baseline survey.

competence" (Huddleston and Unwin, 2002:141); it was "outcomes-based" and "empathetic to the experiential tradition" (Fuller and Unwin, 2005:96), stemming "from a concern that individuals should be given the opportunity to realize their potential" (Jessup, 1991:6). Competency focused on outputs rather than inputs; it was not what a person knew but what he or she did in a given situation. This was not only about answering set questions applicable to predictable situations but about learning to function effectively in an unpredictable world by asking the right questions and learning to adapt knowledge to changing situations. This adaptive competency required a basic minimum understanding of fundamental financial concepts and skills. On the one hand many FL programmes used material that was too simplistic or already too well known (e.g. the appearance of a credit card) to be of much use. It seemed patronising to assume that adult participants who were already conversant with credit cards and store cards, needed to be shown how these looked in vastly magnified sizes. I had observed at least one FLP who was visibly embarrassed about having to show these cards to participants. Both trainers and participants had been looking for training that would better equip them to function in the real financial world. On the other hand, very often, knowledge on the part of participants was assumed and required explanations were not offered. Recent research³¹ had revealed the need for a good understanding of basic terms and concepts for which clear and precise explanations were required. It was not enough for participants to be told that a rate of 25% could translate to an APR of a million percent; they needed to be shown how to make the relevant calculations in order to be able to independently evaluate product value. Certain mathematical calculations which were fundamental to the understanding of financial matters, but which had often been considered as the preserve of only the financially sophisticated, were introduced with a view to promoting basic financial understanding and competency. Learning outcomes were spelt out as specific competencies that would facilitate the attainment of the core competency relating to each of the three domains of financial literacy indicated above.

Fourthly, the curriculum sought to develop attitudinal and behavioural competencies by encouraging Action Learning (McGill and Beaty, 2002, McGill and Brockbank, 2004, Marsick and O'Neil, 1999, Pedler et al., 2005), which "is now an international field" (Zuber-Skerritt,

³¹ See Goro (2006)

2002:114), and which emphasised the importance of learning that resulted in behaviour and action. Action Learning and experiential approaches had been variously critiqued as insufficiently supported by empirical research (Jarvis, 1987, Tennant, 1997), ignoring the ways perceptions and actions were culturally determined (Miettinen, 2000), and ignoring the possibility that all knowledge was constructed within power-laden social processes (Michelson, 1996). Experiential thinking based on action could result in false conclusions, dogmatism and inability to understand new experience (Beard and Wilson, 2006). "Whatever their limitations", I felt like Kelly (1997) that models of action and experience based learning had "helped move educational thought from the locus of the instructor back to the learner" and "experience [had] once again become a viable topic of discussion". I considered Action Learning to be a vital component in an effective FLC. Arguably this was the first time Action Learning was incorporated in FLE. Participants developed and agreed ground rules³² for their sessions. They were required to bring a real financial issue/problem or project that they wanted to progress and would be prepared to explore within an Action Learning Set/group of three/triad. Within the span of one hour, a 'presenter' talked about his or her issue for ten minutes followed by a process of Socratic questioning by fellow group members. The presenter undertook to explore available options and to take action on the issue within a specific time frame, and follow up by further meetings with members of the set as feasible for further feedback and reflection³³.

I brought together the terms 'competency' and 'action learning' mentioned above by coining the word CoBAL to denote 'Competency based Action Learning' that combined the development of key competencies required to deal with financial matters in general, with Action Learning strategies required for use in varying individual circumstances. In my view, both these components were vital to an FLC, and complemented each other. CoBAL involves the recognition that learning "goes on every day" (Felstead et al., 2009:1) and competency is "attained through a combination of formal and informal learning" (Evans et al., 2006:179) This synergistic combination of competencies with AL was arguably a new synthesis of curriculum components and almost certainly the first to have been attempted in FLE.

³² See Appendix 10.

³³ See McGill and Brockbank (2004) for a comprehensive discussion of Action Learning.

FL programmes generally provided a framework or timetable for learning activities, but required participants to refer to other resources for obtaining relevant knowledge. For example, participants may be given a multiple choice questionnaire giving four options and the correct option identified but no explanation provided as to how the right option or calculation was arrived at. The CoBAL course pack attempted to provide a framework/timetable as well as detailed and self-explanatory stimulus material covering questions and exercises in one programme booklet and disk, supplemented by a separate folder containing suggested answers and explanation/working arriving at the answers. Many FL programmes often required trainers to undertake a training activity without providing sufficient explanation of the activity/terminology, and trainers were not fully confident about handling the sessions. While it was recognised that FL covered a vast area and that it was simply not possible to explain everything that needed to be explained, attempt was made to comprehensively explain the specific activities included in the programme so that trainers could approach the sessions with confidence. The course pack included material that participants could read and refer to after completing the course. The material so included was self explanatory, and also provided participants with some flexibility in the choice of material for class discussions. The curriculum was designed to add value by developing better understanding and insights of financial issues.

The course booklet offered to participants was much larger and more detailed than those offered by programmes that had been observed. It also incorporated recent research findings related to personal finance such as 'delay discounting' and 'locus of control' that played a vital part in financial decision making.

This seemed to be the first time rigorous academic models of learning (Gagne, 1985, McAlpine, 2004) had been were incorporated in an FL course. Gagne's nine events of instruction were telescoped into seven events by combining events 4 and 5 as well as 6 and 7, and each masterclass followed a seven-stage process:

- Gain attention
- Inform learning objectives
- Stimulate recall of prior learning
- Present stimulus material and offer guidance
- Elicit performance and provide feedback

-Assess performance

-Enhance retention and transfer via Action Learning

Each stage was illustrated with examples. For example, attention could be gained in stage 1 by quotes from well known TV personalities such as Homer Simpson. Stage 4 was allocated the most time; this stage consisted of firstly presenting stimulus material in a step by step manner, and secondly providing guidance for participants to learn the activity among themselves.

The course was structured flexibly as a two-day course over a 10-hour period, divided into 3x3-hour masterclasses with a further ½ hour each for introduction and conclusion³⁴. Thus in theory participants could opt to attend just one or two masterclasses over three or six hours rather than attend the entire two-day course. Such a structure would facilitate a subsequent conversion of the short course into a course module with each masterclass comprising one of eleven or twelve course sessions

³⁴ See Appendix 11 for the CoBAL course structure

Each masterclass followed a time-plan. An example is furnished below.

Table 12: CoBAL Money Management Masterclass: Time-Plan

Minutes		Learning event	Topic / activity
5		Gain attention	Relevant stories, quotes and statistics
5		Inform learning objectives and specific competencies	Ref: Table below
5		Stimulate recall of prior learning	
75	30	Present: stimulus material and guidance	Understanding interest
	15		Understanding the time value of money
	10		Understanding inflation
	10		Understanding taxation
	10		Budgeting
			Increasing income Reducing expenditure Managing debt
15		Break	
15		Elicit performance and provide feedback	Administer group quiz and provide answers
15		Internet based practical exercise	
45		Enhance retention and transfer	Action Learning for attitudinal competency
180			

Finally, in FL courses, there generally seemed to be a tendency to oversimplify, and to present material as if understanding that material would in some manner render the participants financially literate. CoBAL on the other hand took care to carry appropriate disclaimers, warning participants that they needed to take responsibility for their own

learning. Participants were reminded that rates of interest and other data indicated in the course material would be subject to change over time, that information available was not always complete, and that information was often imperfect in a world that was imperfect. It was suggested that there might not be a single correct solution to problems and exercises, that alternative solutions might be equally or more appropriate depending upon individual circumstances; that the course only provided general guidance; and that decisions should not be taken based solely on the suggestions found there. In conformity with legal regulations, it was also stated that the curriculum did not purport to provide any financial or professional advice, and did not constitute approval of financial products or services offered by any institution, and that an approved financial adviser would need to be consulted as appropriate for any personal advice. It was made clear that the material presented was indicative rather than exhaustive. It was emphasised that the financial world was extraordinarily complex and constantly undergoing change.

The course commenced with an initial ten-minute ice-breaker, that involved participants walking around in circles (much like musical chairs), and at a point of call asked to get together in groups of three and share views and thoughts on various issues both personal and course-relevant. I had adopted this ice-breaker exercise when I had been a trainer in my bank's training centre, but had not seen it being used elsewhere. The exercise seemed to go down well with participants who were then asked to take their seats in the last group of three in which they had found themselves. Apart from breaking the ice and enabling initial introductions, this exercise also led to the formation of groups of three or triads for the purposes of Action Learning. Participants were encouraged to form triads of individuals who were not already well known to each other, and asked to exchange names and views on FL. Chairs and desks were arranged in such a way that triads were able to face the course presenter or work in groups among themselves as required. There were additional chairs around the room facing computers which participants could move to. All participants were provided with separate computers and internet access, and required to independently undertake a variety of Excel and web-based exercises³⁵.

³⁵ See Appendix 12 for the CoBAL class layout

Two two-day courses were held in January and May respectively. The January course was generally very well received. Excerpts from feedback were advertised on the website by way of promoting the second course:

"Extremely informative and useful"

"Value for money!"

"The practical applications of financial concepts were useful"

"Delved into financial literacy areas in detail for an in-depth understanding"

Unlike the first course in January, the second course held in May started on a bad note. Participants arriving at the advertised venue found it to be locked and inaccessible due to health and safety issues, and were waiting outside in the cold while I went inside the building to make phone calls for arranging alternative accommodation, which was found after a wait of about an hour. I walked with the participants to the alternative venue nearby and set about ensuring that the arrangement of desks, chairs and computers conformed to the required layout. I tried to make up for lost time by cutting out the initial introductions, which proved to be a bad idea, alienating a few participants.

One participant summed up later in an interview³⁶ saying, "The first day was a bit awkward because we were moved to a different area so I think it got off on a bad note, and then there were a few people that weren't sort of happy because the course wasn't sort of what was expected...We thought there would have been more... some simpler things involved in it...not that we weren't capable, but it was sort of, we found the course was saying we would learn things to pass on to our students but then it transpired that the students would not...weren't anywhere near that level...too high a level from what I was looking for the course to be" When asked whether she thought the course was pitched higher or lower than level 4 (which was the advertised level), she said it was level 3-stroke-4 but still felt it was pitched at too high a level.

Details of 'Competency Based Action Learning (CoBAL)' were circulated among and gained the recognition of members of the Financial Literacy Accreditation Working Group (FLAWG) which included representatives from the FSA, NIACE, BSA, NOCN, ifs, CABs, pfeg, QCA,

³⁶ See Appendix 15 for a sample Request for Interview Form

National Skills Academy for Financial Services (NSAFS), Chartered Insurance Institute (CII), and a number of other organisations involved in the development of FL programmes³⁷. The 'Financial Literacy: Training the Trainer: A Competency Based Action Learning (CoBAL) Programme for Financial Literacy Educators' designed by 'Nirmala Lee' and awarded by 'London Metropolitan University' was incorporated in the Personal Finance courses database maintained online by NIACE on behalf of the Financial Literacy Accreditation Working Group³⁸.

Educational interventions have been set up in the past as a way of enhancing learning and initiating changes in curriculum (Peidong and Laidlaw, 2006). The professional credibility of the curriculum seemed to be acknowledged when LondonMet successfully competed for an FSA grant for the development of an FL module to be incorporated within an accredited undergraduate programme. The bid document named me as leading the Teaching Team as "Curriculum Advisor and leading on final module development". The Financial Literacy Module developed as an output of the bid incorporated the CoBAL curriculum components³⁹.

5.2.3 Financial literacy courses for end-users (Ts)

The second phase of the research had involved a survey covering FL educators. In consonance with grounded theory principles, it seemed appropriate to identify a suitable player from among the educators for the purpose of further enquiry. The credentials of one such player were impressive. This organisation figured prominently in the NRDC research report that I had co-authored for the DfES (2005): it had run a pilot scheme that had been launched by the Treasury and had substantial links with community organisations; it delivered group-based financial education through partner organisations as well as directly

³⁷ For example, the minutes of the NIACE Financial Literacy Accreditation Working Group meeting held on 22nd September 2008 recorded my contribution thus: "As "literacy" is an outcome of the course, behavioural inputs are required. The teaching method uses Competency Based Action Learning (CoBAL). The qualification is level 4 and can be put towards undergraduate modules".

³⁸ See Appendix 14 and <http://www.fin-lit-qualifications.org.uk/DisplayQualification.aspx?id=16>

³⁹ See http://www.fsa.gov.uk/financial_capability/pdfs/md_support.pdf for the FSA's 'National Strategy for Financial Capability in Higher Education' which refers to London Metropolitan University as one of four universities awarded the FSA grant for "unique ideas" put forward for the creation of a module on financial capability within a formal university award.

to members of the general public; its community work included the development of FL as part of its aim to increase financial capability. A course or courses offered by this organisation would be ideal for a researcher who wished to observe FL courses for end-users.

The coordinator of the organisation was helpful and enthusiastic. He seemed interested in some possible independent feedback for his courses, though it was made clear to him at the outset that the observation was for the purpose of this research and would be wholly anonymous. It helped that I was well known in the organisation as a member of FLAWG. Interestingly, the tutor he identified for me to observe had herself been a participant in my FL course for tutors. Would this in any way be detrimental to my research observation? I decided that this need not be the case; our roles were different now and quite distinct. It was encouraging to note that I was encountering the same players in the FL arena in different contexts, and derived some measure of assurance that the sample choices being made were relevant and not unrepresentative.

The first course I planned to observe was part of a community project supported by a local London borough, a neighbourhood renewal fund and a European Social Fund. It was offered free of cost to participants. I was told that the first group consisted entirely of women, and the second group included at least one man; I planned to attend both the groups and was eventually to find that the second group also consisted entirely of women. I asked the coordinator whether it would be possible to attend a course for the homeless that was expected to consist entirely of men, but was told that the course was not running due to "staff changes".

The course was scheduled to run twice for an hour each from 10:00 to 11:00 and again from 11:30 to 12:30 on Fridays over a period of eight weeks, and I attended all the course sessions. On the first day I arrived much before either the participants or the tutor, and took my position in a corner of the table in the room where the class was scheduled to take place. As the participants arrived, I noted that every single person was Asian and covered from head to toe in a burkha/jilbab/long robe. I remembered Dawkins' (2006) description of the garment as the symbol of egregious male cruelty and cowed female submission. Could

FL take root in submissive individuals? Was it just an attire or did it symbolise something more?⁴⁰ In any case, it appeared that being a woman, I would have a better chance of securing interviews with the 'pardanishin' women than a 'strange' man. I knew it was important to keep an open mind and to observe the proceedings in an impartial manner. I seemed to have one big disadvantage: all the women were conversing in a Bangladeshi language which I could not understand; I expected that to change when the class commenced.

The tutor arrived attired in T-shirt and jeans, in sartorial and ethnic contrast to the participants, and rather later than when the course was expected to start. She exuded a friendly cheerfulness which was also in contrast to the subdued tones of the participants. She introduced me as an observer who might be interviewing them at a later time. As an observer my aim was to engage in the real life situation of the classroom and be there when it was happening, but at the same time not to influence the proceedings by any 'observer effect'. I kept pen and paper in readiness, and seemed to be the only person taking notes.

The participants seemed to have a comparatively low command over the English language, but then this was something that had characterised many of my undergraduate and even postgraduate students at university. While some were tolerably fluent, others seemed unwilling or unable to utter more than a few words. The local coordinator had informed me earlier that participants had been vetted by their advice team and that individuals with "low language ability" had not been selected. However, the benefits of explaining the intricacies of FL to individuals who may not be able to grasp the nuances of the English language were not clear.

The second group of participants comprised two women, and both were not wearing a veil. One of them wore a cap, making her look 'thoroughly modern' in comparison with the previous group. While these women belonged to the same ethnic group and shared a common geographical origin and language, they were fluent in English, and their confidence

⁴⁰ While my stance was to look beyond individual sartorial and other cultural practices into what might be universal human financial issues, it appeared that some FLPs might tend to pigeonhole individuals and view such practices as warranting differing financial strategies.

levels seemed to be much higher. One of them turned to me and said that her main motivation for attending the course was to meet people other than the community to which she belonged; it was apparent that only the tutor and I fulfilled this criterion. Though there seemed to be considerable differences between these two participant groups, the course content and material presented to them were identical. The only difference I noted was that whereas in the first group purchases were classified as essentials and non-essentials, the words used for the second group were "wants" and "needs", "wants" apparently being equated to non-essentials, and "needs" to essentials. There seemed to be no other change, and the assertion of FLPs in interviews that they tailored their courses to the nature of the participants did not seem to be backed up in actual practice.

The tutor commenced the first class with a talk on budgeting. One or two participants had not heard of 'budgeting', but evidently had been budgeting; conversations seemed to suggest that these individuals were managing household budgets, buying groceries and raising children. Would their FL levels have been affected in anyway by knowing that 'budgeting' was the word to describe what they may have been doing? The tutor asked participants to read out each item of expenditure from a handout, which they dutifully did. She then asked them to name essentials and non-essentials. Rent, mortgage payments, food, "bills", clothes and one holiday were identified as essentials; luxury food, restaurants, cars, smoking and three holidays were identified as non-essentials. The tutor struggled to spell 'mortgages' and asked for help; she also had problems multiplying a weekly figure by four, and some of the participants helped her out in the multiplication. The tutor disarmingly admitted that her multiplication was not that good. She then distributed a handout about Anna, a 26 year-old woman who supported her daughter with the help of housing benefit, income support and child benefit. Anna was described as spending £3 a week towards dancing lessons for her daughter, £2 a week for cake and coffee for herself while she waited for the dance class to finish, and a further £3 a week on presents for her daughter. This woman needed to write a budget, which involved classifying income and expenditure under weekly, fortnightly, monthly, quarterly and annual categories and then calculate the relevant figures for a week. The participants seemed able to follow the calculations easily enough, though merely dividing monthly income by four did not seem to be an entirely accurate method for arriving at weekly figures; they even helped out the tutor with some of the calculations when she was showing signs of being shaky in maths. At the end of the session when other participants had gone, the last participant told the tutor that the material

was very basic and asked if there would be opportunities to do something that was “a bit more advanced”.

During the second week the focus was on different types of bank accounts. One of the participants saw me taking notes, and remarked that it was good to take notes. However, the participants continued not to take down notes themselves; it appeared that they were already familiar with the various types of accounts such as current accounts and savings accounts. While introducing a new exercise, the tutor said “Don’t laugh” and set out some oversized cards on the table for participants to identify. The participants were familiar with cards and with their uses, though not with the oversized versions displayed on the table. Some of them were not familiar with the terms “store card” and “loyalty cards”, but nodded with understanding when Boots advantage card was mentioned. They then understood that the oversized card on which “store card” was written was actually describing what they knew in the real world as the Boots advantage card. The class had made known to them that the Boots card was also known as a store card. I was not sure if the information contributed in any way to better FL. When questioned about building societies converting to banks, the tutor refused to comment and said that she was not authorised to provide investment advice. I could not see how talking about building societies converting to banks constituted investment advice; nevertheless I could understand that she might not feel competent to talk about a subject about which she did not appear to possess much knowledge.

Subsequent classes showed a steady decline in numbers and within the second month had reached a total number of three or four; the tutor at one point registered her disappointment with the level of attendance with a charming mock sniff. In one of these classes the question of “why borrow” was considered. Business, buying a house, decorating, education, furniture, TV and DVD were suggested as answers. Again, I seemed to be the only person writing these down. At this point the tutor made a distinction between borrowing for investment (house, business, education) and borrowing for consumption (furniture, TV, DVD, car). I could not entirely agree with her classification of the computer under consumption rather than investment; in my view, a computer could be an important investment; when I discussed this subsequently with a peer he opined that she must have thought of the computer in terms of computer games.

During one class the tutor brought with her a list of financial services organisations and the rates they charged: Cahoot card 12%, store card 29.9% (it was not made clear as to which store card she was talking about) Egg 15.9%, Vanquis 49.9%, Capital One 29.9% Provident Personal Credit 177%. One percentage calculation was wrong, but she had evidently been using that example often as it had been pre-printed on a laminated card for repeat displays to course participants. She added that loan sharks charged 25% per week or 1,000,000% APR; she did not explain the calculation or indicate details of additional charges that the APR might include. She did not make any attempt to calculate the AER or annual equivalent rate, which I viewed as essential to understanding the plethora of interest rates on offer⁴¹. She implied that APR was the annual interest rate; this was inaccurate as it was the AER which was the effective annual interest rate; the APR also included other bank charges and fees over and above the effective rate of interest. I was also somewhat concerned that she had disseminated information about Provident Financial and other high-interest charging organisations which the participants had not seemed to know about earlier. Had she inadvertently provided them with some information that best remained unknown?

There was also a discussion on which debt needed to be repaid and which did not have equal urgency. She set out a list of priorities. The house payments were important. Gas and electricity were more important than water; water was a human right and an entitlement that could not be cut off even if the bill was not paid. Mail order catalogues could not send you to jail, whereas child maintenance was important and non-payment could result in a prison term. Secured loans were important, but unsecured loans were not. A magistrate's court could send you to prison whereas a consumer court could not send you to prison. An unsecured overdraft could not endanger your house. Money lenders could not take your house, and money lenders could not send you to prison. Store cards, money lenders and consumer cards were not important. Council tax was important. TV licence was important because there was a fine followed by prison. And so on. There were some factual inaccuracies: an unsecured lender for example could sue the borrower for a debt that might result in the borrower losing his house; a participant depending on the tutor's suggestions might be in for an unpleasant surprise if an unsecured lender decided to pursue a legitimate

⁴¹ See for example Appendix 8 for a worked example of how an advertised interest rate of 8% actually works out to an effective interest rate of 14% due to the method of interest application.

debt. Apart from issues of accuracy, this list also seemed to be bordering on the unethical; was FL about telling people to repay some debts while ignoring others and about implicitly encouraging people to borrow irresponsibly? Was FL about condoning mail order purchases that could not be paid for? Was FL about telling people that the TV licence needed to be paid more urgently than the water bill?

I was beginning to revise my initial assessment of the participants as waiting to be liberated by a kindly FL tutor. Clearly, these participants were inferior in English language skills, but insofar as, for example, multiplication was concerned they seemed to be superior to their tutor. While one or two of them had not known the meaning of the words 'budgeting' and 'store card', they seemed to have considerable experience and ability in regard to managing both of these in action.

The tutor gave participants four handouts: one was a web extract about Abbey National's Flexible Saver Account, a second about Halifax's regular saver account, a third about HSBC's instant Access Savings Account and a fourth on Yorkshire Building Society's e-ISA account. She then gave them a comparison table on which participants were required to write down the name of the account, the interest rate, when they could access their money, how they could pay in and withdraw their money, and the minimum required to open the account. All the information was available in the handouts and the participants did not seem to have problems extracting the information on to the form, except that when asked they struggled to explain the word "flexible"; they felt they knew the meaning but could not explain it. At the end of the exercise the tutor asked the participants whether it had been useful, and one answered "yes". Then there was a banking jargon card game. Participants were given cards that had words such as "credit union" and "OD limit", and were required to describe these without using the same words. When it came to "DDs" the tutor made it a point to emphasise that we did not have control over Direct Debits (DDs) while we had control over Standing Orders (SOs). This pronouncement was inaccurate, as DDs in fact gave more control; both DDs and SOs could be cancelled by the accountholder at any time, but once effected, DDs could be revoked under the direct debit guarantee, whereas SOs could not be revoked in the same manner as they were not backed by a similar guarantee; it seemed to reinforce the erroneous impression entertained by many, that the SO, being originated by the self, was in some way better than the DD that was originated by the payee.

I observed some people yawning. The tutor displayed statistics showing that 80% of the population overspend and 26% overspend to cheer themselves up. She offered this and other items of information in the form of true or false questions. Was retail therapy being depicted as a common and natural form of making oneself feel good? There was no message or discussion following the information. She then added that UK households threw away a third of all the food they bought.

After the first week the second group was merged with the first, as funding requirements necessitated a group of at least six. The merging of the two disparate groups resulted in the erstwhile second group dominating class discussions. I found out more about some of the participants. One woman for example had arrived in the country three years ago, after marrying a man who had arrived there fourteen years ago. They had an eleven year old son and two other children. She was able to convey meaning more or less fluently though her grammar was not impeccable. There were two or three participants who did not attempt to speak in English and were intent on communicating with each other in their native language. There was another participant who was fluent, talkative and confident, but seemed to be experiencing high levels of adversity: her husband had been bed-ridden for years and she was his carer administering his medication and diet at regular intervals; one of her sons was a drug addict; two of her other sons who stayed with her were employed and drove cars of their own but were unwilling to contribute towards household expenses; and she had developed medical problems herself, caring for her husband.

It appeared that these ethnic female participants had not benefited in any significant manner from the FLE inputs that had been on offer. They may have had difficulty communicating in English, but seemed to follow the course content well enough and be already conversant about what was being discussed in class. However, they did seem to benefit in other ways: opportunities for social networking, free childcare arrangements that gave them some respite from their daily duties as well as the dubious distinction of having their names displayed on public premises as having undergone various courses. One notice indicated that "the following students of the year 2000 were strenuous but enjoyable to teach", appearing to be more an appreciation of the hard work put in by the tutor. A current participant seemed not to have been aware that she figured in an earlier literacy class list on display in the premises.

The FL tutor who had allowed me to observe her classes kindly also suggested that I accompany her to another course held at a different location for a different group of participants. This was a session organised by the publicly funded arm of a private employment agency as part of a larger course that dealt with issues such as job search, CVs, interview practice, etc. It was interesting to note that this group was different from the two earlier groups in a number of ways: firstly they were mostly white and non-ethnic; they were in ordinary dress rather than covered in purdah; and while they did not seem to have the kind of family support available to some members of the previous group, seemed to be fairly fluent speakers of English, more independent, and actively in search of paid employment. However, any expectation that this group would be given different inputs was proved wrong. The discussion on budgeting and the listing of essentials and non essentials remained the same, the content was the same, and the case study of Anna was the same. The content was identical though the participants were different. In the courses for FL educators and educators of educators, the tutors had vociferously indicated that they tailored their courses to suit individuals. That did not seem to happen here. Participants were told what was going to be undertaken in class and were not asked about any preferences. While observing this class, it appeared that the one notable new piece of information for them was the word CAB; they had heard of the Citizens Advice Bureau but not its abbreviated form.

These classroom observations seemed to confirm findings from presentations made by FLPs at the FSA and elsewhere by way of demonstration as to how they carried out their teaching responsibilities. It seemed that adult FL had been fixed at a very rudimentary level on the assumption that the financially 'weaker' sections of society at whom these were aimed were incapable of anything more advanced. Participants seemed to be viewed as indebted, surviving on benefits, and spending more than their income; they needed to be shown how to list items of income and expenditure, add these up and calculate the difference, and spend less than their income in order to remain debt free.

5.3 Exploring for effective curriculum components

5.3.1 Conclusion

Phase 1 of the research had indicated that FL involved diverse dimensions. Phase 2 of the research had indicated that FLE involved diverse areas. FLE in general, and for FL

educators in particular, seemed to be patchy and piecemeal and at a rudimentary level. How might a better understanding of current approaches to FLE provide lead to more effective learning experiences for adults? How might FLE be approached in novel and useful ways? These and other questions were the logical offshoots of phases one and two, and were used to examine the components of what might be an effective FLC. There was a need to look beyond old understandings and prior preconceptions in order to investigate the possibility of developing more effective forms of FLCs.

Actual observation of FL courses provided greater insights about the various components of an effective FLC. As might be expected with real world research, the process did not fit into neat chronological categories. In consonance with the flexible approach of grounded theory methods, various activities such as observation of courses, development of the CoBAL curriculum and interactions discussed in the next section took place in tandem.

The synthesis of the CoBAL curriculum components constituted a form of 'Critical Exploration Research Method' which involved "critical exploration" as "a research method" in the classroom with the teacher as facilitator with a researcher mindset (Duckworth, 2005:259, 2001), and provided insights for curriculum design and learning experiences. It contributed to the understanding of the "messiness of...aspects of real life" (Robson, 1993:19) in relation to FL, and to finding answers for my research questions. The exploration continued into the next phase of the research where participants were interviewed and their views on the course experience examined. Interview research revealed strong views for and against CoBAL, and the curriculum synthesis is by no means being promoted as flawless or free from deficiencies. However, practitioner research can be a process of investigation that produces information that can be analysed and used to alter curriculum content, instructional practices and policies that define or constrain curriculum and instruction (Grady, 1998). The investigation of components that might contribute to an effective FLC was exploratory in nature, and the curriculum was an outcome as well as a source of research data. Through "phronesis"⁴², an "insider-researcher" can "make good practical judgements about their research practice"(Gibbs et al., 2007:367). "Theory can

⁴² An Aristotelian concept meaning 'practical wisdom'; it is concerned with how to act in particular situations.

arise in many forms, often directly out of practice" (Costley et al., 2010:188). Thus research informed practice, and practice served as a resource to rethink theory. "All is data" is a well known grounded theory dictum (Glaser, 2001:145), implying that whatever was going on in the research scene was data whatever the source, and that data was "not only what is being told...but also all the data surrounding what is being told".

Much insight was derived from exploration through surveys, interaction and observation. The next step was identified as interviewing FL course participants before arriving at research conclusions.

CHAPTER 6 INTERVIEWS AND INTERACTION

The interview is an intimate conversation between interviewer and interviewee wherein the interviewer seeks to take advantage of the garrulity of the interviewee and the interviewee of the credulity of the interviewer

-Adapted from Emery Klein

6.1 Interviews of financial literacy course participants

Interviews, notwithstanding their drawbacks, offered the possibility of "providing rich and highly illuminating material" (Robson, 1993:229). Insights could be obtained by what was said as well as by what was left unsaid. As noted by Wilson (1999), all research of any kind depends upon observation whether direct or indirect. Observation of FL courses was direct, whereas, in interviews and questionnaire surveys, observation was indirect and reliant on reported observations, including self observation, of others. However, indirect observation had an element of direct observation in that what was being said or unsaid by others was being observed directly; thus conclusions were drawn, not just from reported observations, but also from direct observation of the reporter in the act of reporting.

I timed interviews of course participants to take place after I had completed the observation of all the courses. Like Wragg, (1978), I considered this to be a more valid sequence as opposed to the reverse sequence adopted by Nash (1973) who interviewed teachers first and then observed their classes, possibly influencing teacher behaviour by his prior interview questions. Like Powney and Watts, I found at least some participants "preferred being interviewed to being observed" (1987:27). There was a fairly lengthy gap between the conduct of the course and interviews, but this gap met my objective of ascertaining whether there had been any long term outcome of participating in programmes (Reder, 2009). I recognised that interviews might capture aspects and thought processes that might never have emerged in written questionnaires or observations; interview findings could supplement other findings (Wragg, 1978).

6.1.1 Interview design and process

I planned the interview to be a semi structured one-to-one telephone conversation. The aim was not to count the number of responses but to be conscious of the insights which were being presented to me via this mode of research. Comparability of response was not essential; the aim was to deepen understanding of issues that had been thrown up by prior more structured surveys (Stone, 1984), and perhaps raise others missed by the earlier surveys. A totally unstructured interview would not be appropriate at this stage of my investigation. However, the interviews needed to be semi-structured rather than structured in order to serve my purpose. I needed an interview schedule that was geared towards meeting the requirements of the study and to guide the interview process. Standardising the questions would ensure that similar ground would be covered with each respondent (ibid). I included some structured questions to ascertain facts such as respondents' role and organisations, and a number of open-ended questions to elicit opinions and explanations. I tried to arrange the questions in a logical order. I wrote and rewrote the questions to avoid ambiguity and improve clarity, and made several versions of what could be a workable schedule. I passed it on to experienced researchers and obtained feedback. I piloted the schedule on three individuals from three different organisations.

While I intended to follow the interview schedule⁴³ as far as possible, I planned to conduct the interview in an informal and friendly manner and deviate when the situation warranted. While it would be what Powney and Watts (1987:17) describe as "respondent interviews" with "the locus of control" vested in the interviewer, I planned to adopt an empathetic interview style that encouraged participants to state their points of view. This would facilitate the development of interviews into "meaningful verbal relationships" (Powney and Watts, 1988:356). Whatever the comments made by the respondents, my attempt would be to let them know that their views were important and useful.

How should interviews be conducted? Any expenses incurred travelling to other places were not likely to be reimbursed. Travel expenses were unavoidable when observation had to be conducted at places where FL courses were being held. However, travelling time and

⁴³ See Appendix 16 for the final version of the interview schedule.

costs could be avoided altogether in the case of interviews if these were held over the telephone, though this would involve loss of non-verbal communication that might accompany a face-to-face encounter. A major drawback of telephone interviewing was that not all respondents had a telephone, but that did not seem to be a problem: all respondents from 'literate' trainers to 'possibly illiterate' trainees had telephones, and the explosion of mobile technology meant that some had more than one telephone.

I recognised that telephone costs, particularly to mobile numbers, would be high if the interviews were conducted over several hours and days as was envisaged. I could avoid telephone costs if I used my office telephone, and as the research was furthering my competence as a lecturer, my employer would not have objected. However, I decided against holding interviews in my office as I felt that I would not be able to concentrate completely on the interview in the office environment. Therefore, despite the cost element, I opted to hold interviews from my home as the place that held minimum distraction.

Interviewing introduced a new activity to my research. I was now carrying on a kind of conversation, and expanding my understanding by 'picking up' on things that were being said. Interview research required a special kind of a mindset, my best public relations voice, and a great deal of effort to sustain interactions. I felt my 40-year career involving people and processes had provided me with the requisite social skills to conduct conversations. I was less confident about my recording skills; this was an obstacle which led to initial delays before I could get started with the interviews.

I acknowledged that interview data could not necessarily be deemed to be "firm", "unproblematic" or "trustworthy"; people were varied in what they "said they thought or thought they said". (Powney and Watts, 1987:vii). The mechanics of an interview were complex, and responses could not always be taken at face value and needed to be interpreted with caution. Interviewing was a highly interactive process influenced by a range of factors including the mood, attentiveness and interpretive abilities of both interviewee and interviewer. Being the sole interviewer, I could ensure greater consistency, but any interviewer bias would not be compensated for. Despite best efforts, I would be subject to my own biases, errors and variability. There could be bias in the way I asked or omitted to ask a question or interpreted the answers. On the positive side, interviews would provide direct interaction with the respondent, and opportunities for immediate clarification,

investigating underlying themes and modifying a line of enquiry where appropriate. I considered the flexibility of interviews to be their greatest strength as well as weakness. I could deviate with my questions depending on the direction of the interview, but I could never be certain as to whether these deviations were appropriate or perfectly executed.

I set up interview arrangements in the entrance hall of my house, with the telephone table towards my left and a small desk in front of me. I left the recording mechanism permanently connected to the telephone; all I needed to do was switch it on and off as required. I rearranged the interview schedule to provide space after each question, and made photocopies. The spaced out version of the schedule extended to seven pages; these pages were printed on one side only and left unstapled so that I could turn them over easily with my right hand as I held the telephone receiver with my left. I needed to avoid fumbling while interviewing. A table lamp was placed in front of the schedule sheets along with at least two red pens, in case one ran out of ink while I interviewed. I chose to write in red as I felt the colour enabled the responses to stand out against the questions pre-typed in black. I wrote down participant responses as they talked, recognising that I would not be able to capture every word they said. I could write very fast, and to me it felt natural that I should write as I interviewed as this was the way I generally operated at meetings and conferences. These written records were "more fail-safe" (Powney and Watts, 1987:27) and would serve as backup in case there was any failure of technology leading to loss of recorded data. I maintained an interview record document indicating details of interviews that had been conducted, and assigned a reference number to each interview. After completing an interview, I wrote the name of the interviewee, the date interviewed and the reference number in red on the first page of the schedule.

Interviews ranged in length from fifteen to seventy minutes, with the average interview lasting for about twenty-five minutes. Recordings in the Digital Wave Player were transferred to my computer, and I made numerous backups in case I should lose them. They were located in two different folders on my computer and also in two different mobile hard drives, one of which I deposited in my office cabinet. I listened to the recordings many times with a view to systematically analysing content, noting verbatim quotes that appeared to be significant. The computer gave me the facility to pause any number of times, move a button a few centimetres forward or backward and listen again to entire passages or just a fraction of a millimetre to listen to two or three preceding words. Some of the gaps in the

handwritten versions were filled by subsequent hearings of the recorded versions. While I felt like Wragg (1978:17) that "it is not essential to transcribe interviews, and many interviewers rely on handwritten notes assembled during the interview", I had both handwritten notes and digitally recorded original versions which I could refer to whenever I needed.

Section 1 of the interview schedule was 'introduction of self'. I adopted an enthusiastic telephone manner, mentioned my name and said that I was a lecturer at London Metropolitan University. Section 2 was 'warming up'. I enquired as to how they were, reminded them as to where and at which course I had met them, and added that it was good to catch up with them again. I further reminded them that they had kindly agreed to be interviewed after a period of 3 months from the date of the course, and asked whether it was a convenient time to talk to them. Section 3 involved stating the objectives of the interview in order to show the relevance of the questions that would follow. I said that the purpose of the interview was to investigate FL and FLE as part of my PhD research at IOE University of London. I confirmed that their responses during the interview would be confidential and all views expressed would be completely anonymous, and requested them to feel free to state anything they might think was relevant. I added that the interview was not likely to last for more than 30 minutes, but that they could feel free to cut it short at any time. I then asked for their permission to record the conversation, repeating again that the contents would be completely confidential. No one expressed aversion to being recorded.

The participants of end-user courses were generally at home, while those of 'training the trainer' courses were often to be found in their offices. Location had differing implications. Those at office might have been influenced by the presence of their colleagues, while those at home might have been influenced by the presence of their family members or friends and these influences would not be known to me. The home could provide a more relaxed environment for respondents, but it could also be more stressful; during an interview, one mother said her baby was crying; clearly her attention was not on the interview exercise. Respondents might be exaggerating to impress, and this would be something I would need to accept and factor into my conclusions. In both locations the participants were likely to be away from co-participants unless there had been more than one participant from the same organisation, and away from course organisers unless they had attended my own courses. This meant my interviewees' locations were not homogeneous.

6.1.2 Interview participants

During the observation of FL courses, consent forms from willing participants had been obtained for them to be interviewed. Accordingly, interview respondents were drawn from the same three categories of courses that had been observed. Sampling for both observation and interviews was a kind of stratified sampling. The first course I had observed was about training the trainer of trainers, and I code-named the participant 'TTT'. The second and third courses were about training the trainers, and I code-named these participants 'TT1' and 'TT2' respectively and as 'TTs' generically. The third, fourth and fifth courses were about training individuals who were not trainers and who might loosely be called end-users, though in reality all participants, including FLPs, were end-users or consumers of financial services; I code-named the participants of the last three courses 'T1', 'T2' and 'T3' respectively. T1s and T2s were labelled as ethnic minorities by the organisers, and continuing this kind of a demographic labelling, T1s could be further described as ethnic minority end-users with comparatively poor command over English, and T2s labelled as ethnic minority end-users with good command over English. T3s referred to participants of a two-hour FL session that constituted a small part of a longer course organised by an employment agency; this course was labelled by its organisers as for single mothers seeking employment. I wondered how many would have fitted into labels such as 'Sinners, Scroungers, Saints' (TheWomen'sLibrary, 2008) stereotypically used to represent lone mothers, past and present. I noted the ethical need to avoid the "stigmatizing effects of labeling people" (Kimmel, 2007:139).

All the courses, with the exception of the two CoBAL/TTs' courses, were publicly funded and carried additional incentives for attendance. The CoBAL course charged a fee of £200 per participant.

Wherever possible sample size needed to be determined *a priori*, before the study commenced. Sample sizes were usually allowed to be smaller in qualitative research; in interview-based research which planned thematic content analysis, the sample size might be reached only when no new categories of data emerged from the analysis, and "this might be after only 5 or 6 interviews, or it could be after 30 or more" (Justham, 2008:47). I had initially undertaken to conduct at least 15 interviews, and I ended up conducting 27, comprising 7 TTTs, 10 TTs and 10 Ts. I felt I had reached 'theoretical saturation' for each category after around 5-7 interviews.

I tried to telephone people at different times of the day before considering them as non-contactable. Two or three numbers were not functional; at some I was informed that the individual had moved on from the organisation; one said she did not want to be interviewed as she had changed her role. An unexpectedly high proportion of respondents were willing to be interviewed straightaway, while some suggested other dates and times. Overall, I felt the response rate was high. The following table gives details of interviews carried out from among those who had given initial consent to be interviewed.

Table 13: Categorisation of course participants/interviewees

	Consent for interviews	Actually interviewed	
	Number	Number	%
TTTs (Participants of Training the Trainer of Trainer course)	13	7	54
TT1s	7	5	71
TT2s	7	5	71
TTs (Participants of Training the Trainer/CoBAL course)	14	10	71
T1s	8	6	75
T2s	4	2	50
T3s	4	2	50
Ts (Participants of Training the end-user course)	16	10	63
TOTAL	43	27	63

Section 4 of the Interview schedule involved ascertaining interviewees' position, whether they were part of any organisation/association, whether they had job titles and if so what these were. Interviewees were asked to describe their current role, what they did on a typical day, whether they deemed themselves to be FLPs, financial services consumers, both of these or any other. I already had a broad idea as to whether my interviewees were FLPs or only end-users, but more information could be relevant.

The first (and second) category of interviewees comprised those who offered or supported SfL, literacy, numeracy, ESOL, family learning, adult learning, community learning and skills development courses in colleges, city and county councils, community learning centres, CABs, prisons, area partnerships, charities, voluntary organisations, etc. While one or two described themselves as FL workers, most practitioners said that FL was only a strand of what they offered. One TTT mentioned that since she had met me she had left the college and now worked at a prison as an ESOL tutor, teaching English as a second language, and that government policy had changed and “funding shifted from college to prison...concentrating on prisons”.

Collins (1969) had noted role-related influences on the responses of interviewees: ‘heads’ who had been interviewed had asserted that they were always helping ‘probationers’, while the same probationers who were interviewed reported lack of interest and minimal contacts. In interviews, the first category who were trainers of trainers seemed to give answers as part of public relations for their own role and career prospects. These were individuals who had been selected after a process of vetting, their food and accommodation in a good hotel paid for, who had been put through a further selection process for possible trainer jobs during the period of their own training course, and many of whom had been actually selected for training roles on the basis of their performance during the course. Promoting themselves and speaking well of an employer who had introduced me to them might have been perceived as advantages.

Conversely, those who had not been successful in the selection process could be disgruntled. Under ‘any other comments’, one TTT said: “what was missing was the link up to practice...I was never asked to deliver this course...seemed to be a little bit of a hypothetical exercise...an awful lot of money was invested into delivering this training to us but we were never invited to provide for delivery of the course, and it did not appear to fit in within the normal structures that we teach...like a few other courses where they are taking practitioners and training them up to deliver something but nothing ever materialises, the delivery part of it [does not come] to fruition”.

The second category of respondents were trainers of end-users, though there was some overlap with the trainers of trainers. I was positioned as both participant and observer of this

course. David James (1998) who had researched the interdependence of teaching, research and student experience had been able to convincingly position himself as a teacher, researcher and student: he was a fellow mature student while interviewing other mature students, and a fellow academic while interviewing other academics. In a similar manner, I might have been positioned as a fellow FL tutor during the TT courses and interviews. In a Bourdieuan sense, I tried not to allow labels and roles to act as impediments to my investigative process, viewing them rather as different dimensions that might throw greater light on understanding the underlying principles and processes that I was investigating.

The third category of respondents were participants of three courses for end-users. T1s seemed to be housewives, many of whom had problems communicating in English. I recognised that in relation to linguistic differences as in other issues, there was not one right way to respond (Seidman, 2006). I felt the need to skip some questions (Stone, 1984) though I had not intended for this to happen. Plodding on with complex and lengthy questions when the participant answered 'Don't understand' to a more simple question did not seem to be appropriate. I was able to hold some kind of a conversation with them, but it was difficult to obtain meaningful answers; responses were made in halting English, sometimes interspersed with embarrassed laughter. "Don't know" could mean 'don't know the answer to the question' or don't understand the question'. I recognised that the inability to understand what was meant by FL, FLE and FLC did not necessarily mean that FL was low. The content of the FL classes had been basic, and most of the participants seemed to follow what was happening, and it did appear that they had not learnt anything new. T2s were fluent in English, and seemed to be working part-time or retired and on benefits. Among T3s, at least one participant had got a job in 'customer service' by the time I interviewed her. They were mixed in language ability, some being fluent and others not. Clearly, this problem of not being comprehended by some of the respondents had not been picked up at the pilot stage, because the population of my study turned out to be more varied than I had anticipated; while the pilot had been tried out on a group fairly similar (Bell, 2005) to many of my respondents, some of the T1s and T3s had proved to be dissimilar. Moreover, I had assumed that it was reasonable to use English to interview participants who had undergone a course imparted in English. In hindsight, an interpreter may have been useful, both to me and to the FLP training them.

Interviewees varied. Some were reticent while some others rambled on. Some were clearly anxious that the interview should not take up too much of their time while to some others time did not seem to be a constraint. Some had passion for FL, while some others said that they had moved on from the area. Some were fluent while some struggled to express themselves. Some were vague and some others more precise. As I listened to the recordings again I looked for common themes and patterns, rather than counting numbers.

6.1.3 Interviewees' views of FL

Section 5 of the Interview Schedule asked major questions. The first question was: "In your view, what is FL?" The first TTT of the seven I interviewed felt strongly that FL was "about the literacy side of things, not maths like everybody thinks"; she repeated several times "its not maths; I don't do maths, I'm not a maths teacher"; she said FL was for example knowing the difference between "mortgaging and renting". Another TTT indicated that this was "numeracy and literacy skills to make financial decisions to your benefit", and specifically mentioned "embedding FL in my numeracy class". It seemed that while an ESOL teacher considered FL as having nothing to do with maths, a numeracy teacher thought it did. Some other comments referred to managing money: "to know more about how to budget, how to look after finances, basically the basics of finance"; "to take control of their own finances"; "sufficiently conversant with personal finances to be able to look after own affairs"; "the literacy skills required in order to complete everyday financial transactions"; "it's a functioning thing, being able really to budget and having a practical sense of how to make ends meet". One respondent said "identifying the full range of financial activities that our students come into contact with during their working lives and skills they would need to enact them"; he repeated this sentiment in regard to all three major questions.

TTs' responses were similar: "an understanding of basic financial matters"; "the ability of an individual to be able to manage his/her finances, and be able to understand financial products available on the market, and will be able to make informed decisions"; "Its about being able to understand all the financial things that are going on in my life...managing my money, being able to understand credit cards, what the interest rates say..."; "helping [people] to access the information that they need...do some basic budgeting, understanding percentages... basic advice linked with FL"; "being able to know what to do with money, because many people manipulate money but just think money is to be there and be spent, but they don't do budgeting, planning for the future and getting some financial

independence...more about knowing how to behave and use the money to promote your quality of life"; "educating people on issues such as budgeting, improving their numeracy, and in the process using... authentic material, teaching it in context, utility bills..."; "knowing how to save, borrow...having a basic understanding of numeracy really...a whole awareness based on financial issues"

Many of the responses of T1s for this and other questions generally seemed to indicate a difficulty of communicating in English. One said "I don't know, I'm not using". Another answered "I am thinking", and then said "learning enough English and try to use good English and speaking very much". Some other comments were: "I don't know what is FL. I don't understand FL"; "My financially low because I benefit/income support". T2s, unlike T1s, were fluent in English. One retired pensioner who had worked as a nurse said that FL was "being aware of things related to how you budget". Budgeting was the main topic that had been dealt with in the course, and the response was possibly a reflection of the course content. Another T2 said it is "to do with how we sort of financially manage our money." T3s were a mixture of different levels of fluency. To the question what do you think is FL, the answer was "don't think nothing"; "FL which I have done. Yeah, its good. I have little bit idea about card. I don't know. It was good I think". Did "don't know" mean she did not understand my language, or she did not know what FL meant? And to what extent would the understanding of FL as a concept render a person financially literate?

While there did not seem to be much emphasis on planning for the future, major themes that emerged overall were budgeting and managing finances and day-to-day living, with some references to understanding products.

6.1.4 Interviewees' views of FLE

The second major question was: "In your view what is FLE?" Many responses were broad and general. A TTT said this was "enabling the learner to know what the financial aspects of the world are", and gave the examples of credit cards and mobile phone insurance that a 16-year old in transition between school and the business world was not likely to be aware of. The second TTT said "Its about giving people skills to make that [financial] decision...and about informing them on financial information...giving them information about credit cards". Thus the first two TTTs both felt that information about credit cards constituted FLE. Other comments were: "necessary skills"; "knowledge" to take control of their own

finances, and to “cope with everyday life” and become “informed”; “should teach people how to cope with loans, mortgages, lending and income, try to balance them”; “educating on skills so that they can go about enacting and fulfilling everyday financial requirements”; “essentially, I think, to do with helping people to be aware of money in and money out in their own circumstances, and being able to manage that regardless of the size of budget”.

TTs indicated similar views: “explaining to somebody basic money management”; “any formal or informal, but it should be organised in an organised setting: firstly someone imparting knowledge of personal finance to participants, and secondly making available literature that would help an individual...in classroom in a formal setting...or in the form of literature”; “being able to support either lecturers to enable FL or about helping the individual to understand the real FL”; education that enables people “to plan for financial independence...it is a matter of life...how to plan for a better quality of life”; “teaching in context of everyday living”; “general education to back up the specific advice that financial advisers or money experts would give to people...ensuring that they have the skills to be able to cope with the daily budgets, the daily demands on their finances”. Some were more specific: “just giving the awareness to people, students, individuals...how to get bank accounts, how to work on APR, how to... work out mortgage payments, budgeting...sort of versatile, just covers everything at all different levels”

While some T1s seemed unable to convey their views in English, one who was more fluent said: “How to use card or loan or how we gonna spend or budget”.

A T2 defined FLE as “someone coming in to talk to people who don’t know an awful lot of finance”. She was, however, careful to position herself as not one of those “people”. “I think I’m the wrong person. I always managed my money, always budgeted. I don’t need any course They offered it. Know most of it already.” She referred to the “other” course participants who were “not speaking English so well”. When questioned as to what should be left out of the course she had attended, she answered: “Well, again I am not the person to ask. The course was very relevant to other people; [they] did not know how to”, “For them” who were “non-English-speaking”, the course had been good, and nothing should be left out, but for her, she knew “most of it already”. Another T2 said “I am not too sure”, but later seemed to imply that FLE was about providing “good information”.

Many opinions were expressed in broad terms. Overall, the emphasis seemed to be on coping with day-to-day money management and knowledge of financial products.

6.1.5 Interviewees' views of what an effective FLC should consist of

The third major question was: "What in your view should an effective FL course curriculum consist of?" The first TTT initially reacted with "Oh, dear me", and then proceeded to list items such as utilities, managing money, financial borrowing, etc. and summed it up as "information" which she considered to be "the best word to use". The second TTT also started off with "O Gosh" initially, and then said that it should include "some literacy, some numeracy" and also "IT as well". A third TTT said it was "not easy", and that currently most people "do not know"; she added "I think budgeting is the most important element, then mortgages, interest rates and loans, how to work out interest rates, credit cards and how to borrow, and the effects it would have on long term finance". Other TTT responses were: "should be negotiated with the group"; "be responsive to needs of the learner at any time...[includes] basic maths skills, language used in a financial context, basic calculation...but also crucially, to do with attitude and behaviour"; "making budgeting intelligible...find out priorities...single mums their first concern was food...keeping the children warm and fed...[they were] not concerned about paying rent...not concerned about fuel (This seemed to be a contradiction: how could children be kept warm if these bills were not paid?), and they're the people likely to be evicted...retired people, for them equity release was something that they were concerned about."

A TT mentioned "a basic financial statement as in balance sheet. Everybody should be able to do their own financial statement because then they will understand where the money is going to". I had discussed this within CoBAL. Another commented: "depends...for me, I work mainly with younger children and also the youth...how money is earned, what money is spent on, budgeting and saving...how to put a penny or two inside the piggy bank...I do talk of investment sometimes". An FLC was considered to be "a number of things...understanding interest rates...being able to establish a budget...understanding the contracts and agreements", as well as being able to identify things like basic needs and wants, budgeting skills, savings accounts, sensible borrowing and avoiding the loan sharks, when you are shopping, identifying whether the special offer is really a special offer", particularly if, among 3 items purchased for the price of 2, "2 are going to go off"; this involved basic maths skills. Another held that "each person has to take 100% of the

responsibility [for] the use of money, the lack of money, or the abundance of money in the household. My emphasis is mainly on bringing people to take their own decisions around money". One responded that the FLC should cover the core areas contained in the BSA/FSA framework, but subsequently added that pensions and insurance which were included in the framework were not important for her client group; there seemed to be a tension between her role in the FSA and the need to emphasise its framework, and her own views about how much pensions and insurance were important to the client group she had served. A T2 mentioned that this was "giving them ideas and advice and supporting them in various ways".

Day-to-day money management, information, skills, numeracy, attitude and meeting the group's needs were all mentioned, and again there were many broad statements without specific details.

6.1.6 Interviewees' views of FL courses attended

Section 6 asked about the course that had been attended more than 3 months ago. To the question about **how many FLE courses they had attended before coming for the one in question**, answers varied. Many respondents had not attended any other FL course, and so the next question "If so, how was it different" was not relevant and not asked. A few mentioned they had attended one or two other courses, and sometimes more. Some mentioned courses they had attended in other areas: one mentioned ESOL and another mentioned "child care course"; these seemed to be more memorable for many Ts who had trouble remembering the FL course. When one T was asked how the course was different in any way, she said "I need to learn English" and therefore liked ESOL.

Interviewees were asked **what they liked most about the course, what they liked least about the course, what should be left out, and what should be included/added**. The responses were examined according to the course attended.

Responses for the TTTs' course were mixed. One was summed up thus: usually one would attend a course, do an evaluation form and then go away, whereas in that course they had to learn the material, and on the following day make a presentation as part of an interview to be selected for the job of training the trainer. Another TTT said that "the interviews were quite difficult, and the micro-teach was problematic". They were specialists in literacy,

numeracy or ESOL, and one felt that the course was "very weak on ESOL", the course material was not developed for ESOL, not appropriate for ESOL learners, was not user-friendly and needed to be adapted. One TTT felt "there wasn't funding for that particular course, it had to be embedded within anything else we were doing. I think that was the problem." Another felt it was "intensely focused on training the trainer...training other people" and appreciated the variety of techniques that included "electronic things".

Some TTTs liked "the resources that were available", while others felt it needed "more time and resources". One felt "the downside" was that the recommended CD-ROMS were "not good". One TTT felt it included a range of activities and was practical and hands-on, but felt the course could have benefited by "more time"; and another thought it was "a bit hurried". Another appreciated the "much greater focus on cascading information and training trainers" and that it was "very practical". Some of the FLPs would have been successful in their job interviews, and others not, but the details were not known to me. It would have been interesting to see any correlation between negative feedback and negative outcome of the job selection process. At least one participant complained he had not been offered any FL assignments after the course.

Most TT1s gave strongly favourable feedback, while TT2s' feedback was more mixed. Some TTs mentioned that the CoBAL course was considered to be "focused on helping the individual to be able to train others whereas the others were focused on helping individual participants". One TT said the "course was much better [than the 'Rich Dad, Poor Dad' seminar] it was very hands on...had an access to the computers and being able to look things up on the internet...the handouts were very thorough and you also provided us with...a floppy disk so that we could actually practice and do our personal stuff with it or...use it for teaching others". When asked what he liked least he said: "I think sometimes people asked questions to make points...which were irrelevant"; he also felt the course could have included pre-reading that could be accessed on the internet so that participants could have "come prepared with definitions of things". Others felt they had engaged in "very much sort of higher level skills which weren't terribly useful when dealing with basic skills learners"; "a lot of it was not really relevant to teaching low level learners"; "some of it was interesting but not terribly relevant".

Some TTs expressed strongly opposing views. While some appreciated the IT facilities and the provision of individual computers and Excel exercises, some others seemed to be uncomfortable. One TT2 said: "I didn't like very much about it" because firstly, it was pitched for people who were going to teach (she was working for a homeless charity and not a teacher) and secondly, her client group was concerned only with "day-to-day living and budgeting". Another said "there was not enough attention paid to the chalk face"; when I requested him to explain what that meant he said "that comes from the days when teachers used to use a chalk". As one interviewee subsequently put it, participants felt they had been "put on the spot"⁴⁴. They felt comfortable undertaking activities such as matching up financial areas with AFCaF reference numbers, drawing up a list of sources of income and expenditure and preparing a budget. However, many if not all of them, had not heard of basic financial concepts, and were unable to calculate compound interest and the amount of periodic installments payable on a loan.

When asked what should be left out, one TT said nothing should be left out: "No...What you got into the two days was quite remarkable. It needed that because until you have an awareness of how the financial markets operate, and what their requirements are, to see that from a banking perspective which you need to, I think, position to do with your background, I thought that it was just right, it was compacted into the two days, it was paced extremely well, well researched, you had everything at your fingertips, you gave the mathematical software and methods to look at, it embraced a wide background of people required from the delegates that were present. So for me, I thought that was exceptionally good." Another TT felt the materials presented were good: "Working out various interest rates...We can also use same examples and materials with others that we teach on personal finance issues...No, none at all (when asked if anything should be left out of the course), if there is time probably more could be added...the course was brilliant". Another

⁴⁴ A colleague at my university who ran a training programme for senior officers in a bank had commented that he had "used a lot of mini tests next morning to check learning of previous day but worked with them to find solutions...did not ask them to solve themselves as too senior". In a similar manner, the strategy of working with FLPs to find solutions rather than asking them to solve themselves prior to working on solutions might have avoided putting them 'on the spot' and resulted in more favourable feedback.

TT liked working out interest, but “couldn’t cope with Excel”. She later added: “I knew basic Excel...but I think it shouldn’t be taken for granted that everybody knew advanced Excel.”

T1s were generally friendly and trying to be helpful, but struggled to express themselves in English. A reference to FL courses did not evoke any recollection and many of them responded with “I do not understand”. I realised that participants did not understand the term FL, and quickly converted “FL course” into a “money and credit card course”; expressed thus, Ts seemed able to recall the course immediately. One participant, when asked initially about whether she had attended any other FL course had answered in the negative, but towards the end when asked whether she had any other comments to add, remembered that she had indeed attended a money saving (MS) course earlier. On the repeated assurances that all of her comments would be confidential, she admitted: “I don’t like” the course; “I can’t speak English”, but “liked” the MS course. She said she had “the same problem” of not being able to understand the English, but a lady friend who spoke her language helped translate the MS course and as a result she not only “liked” that more but had also managed to “save” more as a result of the course. Another interviewee also mentioned that the course was not in her language. These and other similar comments underlined the fundamental requirement for a course to be in a language that was well understood by the participants.

A T2 said she liked “finding ways of how to economise, what best way to basically in a way shop around”, but would have preferred an evening course so that she could sort out her chores, relax and then be in a position to attend the course. A T3 said “Like the course, what I can do for find a job, like everything”, and another said it “helped to get a job, showed me how to find a job”. Clearly, they seemed to be thinking about the overall employability course within which an FL session had been located. There had been no discussion on employment in the FL session, which one specifically said she could not remember at all. One T2 wanted “to improve computer or English knowledge”; she had “done [a course] long time ago” and knew how to type, though she did not know Excel; she felt this was an area that should be added.

While views of participants about the courses they had attended varied, end-users’ courses appeared to have been generally not well received/remembered.

6.1.7 Interviewees' views of FLC components

Section 7 asked interviewees to **rate on a scale of 1 to 10** their views on the importance of specific/possible FLC components, and their reasons for the rating. One or two or three questions were asked as examples for each subsection depending on availability of time and respondent's level of engagement. I tried to provide explanations and probe any answer that might need further investigation as appropriate. Some TTTs and TTs felt "all these aspects are equally important" going on to say "very important" or "yes" for items on the schedule without attempting to rate despite clear invitations to do so, while others were prepared to accord precise individual ratings. Many T1s were unable to grasp the concept of a rating scale, and simply said they "did not understand", and to the subsequent question as to whether certain types of material should be included, simply answered "yes" or "yeah". I tried converting the "rate on a scale" to something more simple such as "good or bad" or "how much" or sometimes "is it important". Their answers "very important" or "not important" seemed to be answers given in response to my questions rather than thoughtful verdicts. In hindsight, it appeared that it would have been better to offer a choice of, say, three options such as "a lot", "medium" and "very little" to all participants whether TTTs, TTs or Ts, and the results would have been more meaningful; some respondents' 8 seemed to be equivalent to others' 10, and all the courses had participants who were unwilling or unable to rate on a precise scale something which had essentially been a subjective experience.

Knowledge competence

Participants were asked to what extent the course gave them confidence about knowledge aspects. Knowledge was rated as 8 or 5 by some TTTs who felt they were "not new to subject": "quite high, an 8," "had already involvement with FL..."; "about 7" and as "[filling] one or two little gaps that were left".

A TT rated CoBAL as "much higher because I thought it was pitched at a much higher level...it certainly gave me a lot more confidence. I would say about 8 out of 10". Another indicated that the course gave "a lot of confidence" because of the worked examples and internet use. Conversely, one TT who felt she was on the wrong course rated it as 2. Another TT felt: "what was presented on that day was good and enough also for me to impart the same knowledge to others"; he rated all three knowledge components equally at 8, and said "I could say 10, 10, 10... For me there is always room for improvement...I can

give you 10 out of 10 but everything that we do there is always room for addition and improvement". Knowledge competence was presented under three major heads: managing one's finances, planning ahead and making choices.

Managing one's finances

The question asked to what extent it was important to include material on managing one's finances (budgeting, debt management, interest rates, etc). Generally all respondents felt this was really important. Some TTT responses were: "high a 8 or 9", "Absolutely essential, it's core, 100%", "10, fundamental, because [it was] "sadly lacking", "a crucial area", "8 out of 10 [because it was] "directly relevant to the students". One TTT rated all three areas of knowledge as 10.

A TT felt it was a "good starting point for teachers". Respondents differed in their rating of comparative importance. One TT rated managing finances at 10, and planning ahead "less at 8 but highly important", while another felt both managing finances and planning ahead were very important at 7, but making choices less important. The 'T2 retired nurse' rated knowledge of budgeting as "very important" and "9/10" for "them". The 'T2 carer' said it was very useful and important.

Planning ahead

When asked to what extent it was important to include material on planning ahead (for example pensions, insurance), a TTT said that the material "should be there" but depended on the age of the participants, as an 18-year old was not going to be that interested". This was rated at "8" or "6 out of 10", and as something not in demand: "fairly low, does not come up as an immediate need " and "more longer term that the student wouldn't immediately identify with". Conversely, one TTT said it was "equally important" [as managing one's finances], and another rated it as 10 because "company pensions were not a viable proposition" and the government had made changes in this area.

One TTT/TT felt it was "much less important" than budgeting. Conversely, another TT felt this was "vital, absolutely vital" and rated it as 10, and more important than managing finances.

A T2 mentioned that planning ahead was “absolutely vital 9 or 10” but added that her trainer “did not include this”. The second T2 also rated it as “very important” at 9 or 10. A T3 referred to pensions as “of course important”, and to choosing products as “not important for me”. What about ‘pension product’s then? Generally, responses in this area were mixed.

Making choices

Interviewees were asked to what extent it was important to include material on making choices (regarding different mortgages, savings products, etc). One TTT said that she had “just done that”, just taught some youngsters the difference between mortgages and renting. One TTT rated making choices as 8 “because real FL transactions would involve choice”. Another rated it as more important than budgeting and planning ahead because “behaviour and attitude are more important than technical skills”. One TTT felt it was “relevant...but that is the second phase, the first phase has to be ‘money-in-money-out’”.

TTs mostly rated ‘making choices’ as high and ‘a 10’.

A T2 rated it as 10 and as “important” for people to know how to shop around. One T2 said that the “course should include info about stocks and shares, I have lost [investing in shares...should be told about] low risk and high risk” investments.

Skills competence

Participants were asked to what extent the course gave them confidence about skills aspects (e.g. how is interest calculated on a mortgage or loan). One TTT said it was 7 as he did not think people needed to know how interest was calculated on a loan, while another TTT rated this as 10. One responded that he “was up on that anyway”. Most of the seven TTTs rated skills competence as lower than knowledge competence.

One TT said that the CoBAL course “was very detailed and I felt very more than confident after I completed your course in having a much greater awareness...[the other TTT’s course was] less so because it was less technical, more pedagogical”. Another TT rated this as 10, while a third TT rated the first three questions under skills competence as “9, even higher

than 8". Overall, TTs rated skills competence as higher than TTTs. Skills competence was presented under three major heads: practical exercises on interest rates calculations, practical exercises on PV/FV calculations, and practical web-based exercises.

Practical exercises on interest rates calculations (e.g. compound interest, aer, apr)

A few TTTs considered this "important"; one affirmed it was "important to give practical examples". One TTT said the course "covered those aspects reasonably well", though during my own observation I had not noted any input relating to interest calculation; some other participants also confirmed my observation. A TTT and TT felt that "these sort of issues are very very important," but they needed to come after they "sort out budgeting". The impact of varying interest payments on budgeting did not seem to be recognised.

Many TTs appreciated the CoBAL calculations. One commented: "That was also good, 9, definitely until that time I hadn't thought about the difference between the interest and APR...So that helped, for you to know what you are actually paying for, and what you have been quoted by the bank or the lender." Some others rated it as 10, and said the calculations had given them "confidence".

Significantly, a T3 was "interested to know [about interest rate calculations]"

Practical exercises on PV/FV calculations (e.g. periodic payments on a mortgage)

This was closely linked to the previous question on interest rate calculations. PV/FV is fundamental to the understanding of and ability to calculate monthly instalment amounts; these concepts were covered only in the CoBAL course; these were not dealt with in the course for TTTs and Ts. In one instance, when the question on PV/FV was just asked without much explanation as to what these constituted, the answer was "1 or 2", but when the question was followed by the additional comment that this would enable them to calculate for themselves how much their monthly loan repayments would amount to, the rating rose much higher. TTTs' responses ranged from "8 out of 10...because people need to be able to do those calculations", "very important", "need", to "depend on the level of the learner". TTs responded with "9 yes", "10" and similar responses. TTs were generally quite able to carry out the calculations in CoBAL classes despite not being familiar with the

concepts prior to the course; however, they generally felt that their own clients would not be able to understand.

Practical web-based exercises (e.g. drawing up a personal budget or calculating personal inflation rate or using the pension calculator)

There were strong polarised views among the TTTs and TTs about using IT. One felt "some people, particularly older people, may not be IT literate. That exercise could turn them off". Another said this depended on the level of the learner; participants did not have computers, and she would be cautious about holding a course in a library. Conversely, others said it was "very important". One rated practical web based exercises higher than the ability to calculate interest, and another rated this as 10 and cited a Chinese proverb in support.

CoBAL was the only course which had used Excel and assigned a separate computer for each participant. One rated this as 7 rather than the 8 or 9 accorded to other areas because there were people "who prefer to work on paper" rather than on screen. Another talking about Excel said, "lost it altogether...to me it is not about working out figures. I am not a money adviser. I am a debt adviser" implying that as a debt adviser she was not concerned about working out figures. She stressed this more than once. She felt she needed to be aware of how it works, "not the actual calculations". While she felt she was qualified to be a debt adviser, as regards money advice "I am not licensed for it for a start". Conversely, another seemed to demonstrate a long-term outcome of CoBAL, affirming that she did things differently after the course: "I...updated my own programme for teaching children...and now use the spreadsheet that you provided to work out the cost of any...loan that I take from the bank...it helped me to plan how much I pay"; she did not use spreadsheets for primary school children, but used it for secondary school children. Another TT rated it as 10, saying it was used "when appropriate...these are tools...why not". Opinion seemed divided, ranging from 'rave reviews, to having "lost it altogether".

While I skipped some of the IT questions for T1s who might not feel able to answer such questions in English, a T2 mentioned she knew "about that", even though the tutor had "just touched on that". Another T2 recollected that this had not been covered in the classes she had attended, but felt these were "definitely" and "very important" One pensioner mentioned

that she was “not computer literate” and had “no time to go to the library”. Thus there were contradictory views about IT matters among all categories of respondents.

Behaviour and attitudinal competence

Interviewees were asked to what extent the course had an impact on their own financial behaviour, and whether there was anything they would do differently as a result of attending the course. TTTs felt: it “didn’t make that much of a change...not a major issue for me”; “wouldn’t influence me, I’m actually on top of my finances”; “no...because I don’t think we went into it in much detail...because the course was rushed”. Another felt he “had already engaged in” financial matters and did not rush out to do anything, but nevertheless rated his own change as 5 out of 10. One said “I checked my pension... and bank cheque book...I did for 2 to 4 months very carefully”. Another initially said “No, I’m still the same” but added that she “was checking her bank statements now”

Overall, TTs rated this higher than TTTs. One TT said: “I was able to talk more confidently about finances to other people. I also...started taking even better care of my finances...started...paying off those credit cards with the largest interest first because I was able to do those calculations and things like that...I use it all the time. What I needed was a spur to get me to do it...I found the course very very valuable”. Another acknowledged that he was “much more indebted that I had expected and made me more aware”. One TT who was working for the FSA rated this aspect as 9; she said she went home and looked at all debts and looked at the pension forecast; “for the first time” she and her “other half” looked at their combined finances. However, while she had looked at these for herself, she felt this was not relevant for her client group; while what she had liked most was she “got head round a few technical things”, the same was also one of the things liked least about the course because it was “too technical to apply to clients I was working with”. A strong critic of the TTs’ course felt she was on the wrong course, as she was a debt adviser and not a money adviser; she repeated this sentiment several times.

Regarding altitudinal change from the course, a T1’s answer was “nothing changed” and a T3’s answer was “don’t think any change”. These were typical answers. One T2 seemed happy that the course had given her information about how to economise, but she wanted to

"go on the next level" of the training; I recalled that this same participant had asked the trainer at the end of the session whether there were any courses that were more advanced.

Action Learning was explained in a few sentences, and interviewees were asked "**to what extent should the course include Action Learning**". The response was generally positive. A TTT, while confirming that "we did not do anything like that", felt "I do think it should be", and rated it as 9 and "really important". Another said "I think it can...has to be managed very carefully". One felt it was already happening in an informal way: "they do talk to each other." Another TTT who organised "group learning" felt he had not used it, but "I am familiar with AL set...I haven't used it in FL...I very much like the idea you gave of it...sounds very good to me"; the "reluctance to discuss personal financial affairs" is offset by the fact that it is "nice to know other people have problems" as well; she felt this "does happen" and could "be useful". There was a view that "It...could work within a community [not within a college]...In a college you might have youngsters, you might have older people, I don't think they'd like to share". It was felt that AL "can have a valid place and part to play in the FL course, but with the caveat: some people may not be prepared or would be embarrassed to reveal their own financial status within that peer group setting". A TTT/TT answered "yes, if you can relate without infringing personal information... deal with a real situation... very very useful indeed, very very beneficial"

One TT felt it was "more of an ice breaker", and "didn't find it much of a learning curve...nothing came of it". Others rated it highly: "a 9"; "you learn much more effectively I think that's a valuable thing"; "any sort of AL or interactive learning is very good...in the right context". Even a strong critic of CoBAL said AL was a "good idea" and it was "very important" to include AL.

Ts generally seemed to be in favour of AL. Some T1s just said "yes". Another said "yeah I like it action problem because I learn". One T2 was wary about "Asian ladies" and "how confidential" they would keep the information shared; she felt they should be "probably put in groups and not told whose problem" was being discussed. Another T2 responded: "definitely, very useful, good learning".

As regards skills competencies, the frequently encountered theme was 'OK for me but not for my clients who belong to a vulnerable group who cannot possibly get *THEIR* head

around the technical issues'. Almost all participants seemed to welcome Action Learning, with one or two adding a caveat about confidentiality.

6.1.8 Final comments

Section 8 comprised two general questions prior to closing. The first was: **"how can FLE be made interesting?"** One TTT quipped "Get teachers like me"; she said she used practical examples from the supermarket, property news and utility providers to illustrate her classes. Another suggested "using practical activity...relating to peoples lives...sometimes thinking outside the box and giving people a look at FL from someone else's point of view...takes away the stigma". Similar suggestions were to give scenarios to discuss personal finance issues, and to "[relate] it to personal experience and personal needs... everyday activities that people engage in". Some suggestions were general: "focus group approach...not off the shelf programme", and "the opportunity to learn the skills and put them into practice" in a way that they can see the "benefits". One specific suggestion was showing real life videos such as the BBC video of a girl who had lied about her age and obtained credit cards.

One TT mentioned drama groups and role plays. Others stressed "relevance" to the person; a person on benefits would not be interested in mortgages; "useful to link it to people's life stages...make it relevant to that particular point in their lives." There was emphasis on awareness of different needs and "different audiences to cater for", but there seemed to be an underlying assumption that the audiences were "vulnerable", trapped in debt and lurching from one crisis to another. Another seemed to suggest AL: "focusing on the individual... by having a worked example...and goal setting for the individual".

Some Ts came up with specific suggestions. A T1 wanted a "maths class". A T2 said: "bring in people from the bank to (say how its done), and another T2 suggested "a kind of an advice centre" could be set up to talk to and interview people, learn how they are coping and offer them support. One T1 was not interested in FL: "only doing ESOL... good for English"

To the question, **"what do you think will make a person financially capable?"**, there were some broad responses from TTTs: "they've got to understand the value of money and the way of the world and how the world of money works"; "knowledge really... have choices as well... why a loan will be cheaper than a credit card..." "a lot to do with...confidence"; "by

having the FL skills as enshrined in that course in order that they can complete those transactions”.

One TTT/TT mentioned “mix of education and experience”, adding that £10 vouchers were given to his course participants, one of whom had been off to spend it in a charity shop after the course was over. A TT responded “an appointment with a debt adviser”; she laughed, having earlier described herself as a debt adviser. Some general comments were: “having money, winning the lottery...how to budget”; “taking in the knowledge and applying [it]”; “people need the knowledge to be able to make informed decisions to suit their own needs...If you don’t own a house, you don’t need to know about mortgages, do you?...It’s having the relevant information”. The last comment seemed to entrench individuals in their current situation: if a person who did not own a house did not need to know about mortgages, was there ever a possibility that such a person could own a house by taking mortgages?

A T2 mentioned: “level of motivation”; there was a derogatory comment about people who “want holidays” and a further comment that there was “probably a need to start from primary school”. Another T2 said “getting employed and be more in control of finances”, which seemed to get to the heart of becoming financially capable. A T3 responded “to show what is important”. As the FL course had been offered to T1s without the benefit of a translator, I had concluded that I could engage in an interview with these participants in a similar manner. However, in hindsight, I felt a translator would have been useful, both for educational as well as for research purposes. However, it was not as if only the T1s who gave inappropriate answers. For example, when an employment officer was asked what made a person financially capable, she answered, “using realistic situations and listening to the client”; clearly she was thinking about FLE that might be offered to an individual, and not what would make that individual financially capable.

The final question in section 9 asked for “**any other comments**”. One TTT said: “Younger people seem to think it is not their problem and just spend money. Very difficult to look at the future. They feel very lectured at when they are advised to be very careful”. Another TTT said “not really” as she had left the area because of funding issues. A T2 felt FLE was very important for people as it was becoming extremely difficult to cut back and economise.

Most of the responses under this category have been considered under prior categories as appropriate.

Section 10 was about closing the interview. I thanked interviewees for their time, and invited them to share any suggestions, ideas and comments they may have in the future.

The interviews had produced a mass of conversational data, and I tried to approach the data with as open a mind as possible. Analysing the data posed challenges. I had to include some data and leave out some other data as either not directly relevant or repetitive. Could what I had decided to leave out be relevant after all? Had I missed out on crucial information? Was I undertaking the analysis in a satisfactory manner? These and other questions continued to haunt me. However "self-critical" my "research endeavors" (Kim, 2004:374), I could never arrive at an entirely satisfactory interpretation as real world data was messy and did not necessarily lend itself to clear analysis.

Interviews involved the adoption of a naturalistic interpretive approach concerned with understanding the meanings which people attached to phenomena (actions, decisions, beliefs, values) within their social worlds (Snape and Spencer, 2003). Interviews generated a mixture of qualitative and loosely quantitative data of the kind which enabled me to say that hardly anyone or almost everyone felt in a particular way; the intention was not to impose too much structure on the data, but to examine them as independent narratives that enabled new perceptions of research topics to be elicited and explored (Stone, 1984). It was "the concepts and categories" and "not their incidence and frequency" that mattered (Brannen, 1992:5); the objective was not to "survey the terrain" but to "mine it" (McCracken, 1988:17). "The quality of the insights generated is what matters, not the number of such insights" (Patton, 2002:7). Here as elsewhere, grounded theory methods shaped the process and subsequent analysis. The aim was not to "accept...without questioning" but "to integrate [interviewees'] explanations into [my] own interpretations" (Strauss and Corbin, 1998:291).

6.2 *Interaction with key informants*

A certain degree of methodological triangulation was achieved by means of short, informal, unstructured and concurrent feedback, obtained at periodic intervals by means of participation in working groups and meetings convened by BSA, FSA, NIACE, Toynbee Hall,

colleges, OU, LondonMet and other organisations. This feedback, obtained through a 'natural' form of participant observation, contributed towards enriching the evidence base and making connections in the building of theory. I interacted with key informants who held positions of influence as regulators, decision-makers, funders, educators and researchers from governmental and non-government bodies engaged in the common task of promoting financial learning.

As member of the Provider Steering Group for the Financial Services Skills Council responsible for the development of the 'Financial Services Foundation Degree Framework' (FSSC, 2006)⁴⁵, I obtained insights regarding curriculum development. As author of the book 'Principles of Lending' (Lee, 2008), I liaised with peers in the Institute of Financial Services engaged in the development of financial learning. As member of the 'FSA/NIACE Advisory Group on Financial Literacy for Older People' as well as of 'NIACE's Financial Literacy Accreditation Working Group (FLAWG)⁴⁶ I had opportunities for interactive feedback from other members of the group, which included representatives from the Department for Education and Skills (DfES), Department of Work and Pensions (DWP), the Financial Ombudsman Service (FOS), the National Consumer Council, Age Concern, CABs, NSAFS, QCA, British Computer Society (BCS), National Open College Network (NOCN), *ifs*, CII, FSA, pfeg, ASDAN, NIACE, OU City Councils, and BSA. Personal Finance Research Workshops provided opportunities for interacting with personal finance researchers from the OU, Personal Finance Research Centre (PFRC) at the University of Bristol, University of East Anglia, University of Central England, Reading University, Oxford Brooks University, University of Kent, University of Birmingham, and London School of Economics (LSE). The Financial Services Research Forum provided access to both academic researchers and financial services providers/practitioners.

⁴⁵ See page 64 of the publication where I am listed as one of the 'Provider Steering Group Members'.

⁴⁶ Various referred to as Financial Qualifications and Accreditation Group, Personal Finance Qualifications Group, Financial Literacy Accreditation Group, Financial Qualification Accreditation Group, Financial Accreditation Qualifications Group, Financial Education Qualifications Group, Qualifications and Accreditation Group, and NIACE Qualifications and Accreditation Group

Constraints of space do not permit the inclusion of a detailed account of how this thesis was informed by discussions with key informants. However, it is necessary to acknowledge the importance and relevance of these interactions and the role played by them in strengthening my research conclusions. Events were useful as springboards for testing my insights on FL. For example, I came across FLE practitioners who expressed strong views to the effect that numeracy had nothing to do with FL, while others concluded that it was an integral and vital part. The latter conclusion found affirmation by the concurrence of Tim Oates, who had been Head of GNVQ Research and Development at the National Council for Vocational Qualifications (predecessor to the QCA) and was currently Director of Assessment Research and Development at Cambridge Assessment, during a conversation at the expert seminar 'Putting Knowledge to Work' held at the Institute of Education and in subsequent email correspondence, who felt that "the risk with FLE which is not underpinned with sound numeracy skills is that FLE simply becomes a set of narrow techniques and hints, what is needed is an ability to understand how to work with compound interest rates, to link data on life expectancy and inflation with the return from different types of financial product etc. Without good underpinning with numeracy skills this will just be beyond people" (Oates, 2009). These meetings and events also provided opportunities for informing policy⁴⁷.

I viewed these interactions as a kind of group interview without the need to ask all the questions. Other participants could ask questions that I might have failed to formulate myself, and I could observe the dynamics of individual interactions within groups on a subject in which there was common interest. Group members were of broadly similar status, though I had to bear in mind that representatives of some bodies may have been in the position of being able to make funding and other decisions on which some others in the group depended. Some key members as well as others who might be more articulate and vociferous would be able to influence the drift of the discussion. I observed the interaction of responses and a variety of issues being raised. I jotted notes by hand; though these were obviously less comprehensive than digital recording, I could gather the responses of a large number of highly relevant people within a limited period of time. While these interactions did not constitute the main form of data collection, they were used alongside other forms of investigation throughout the research period. And while they did not lend themselves to

⁴⁷ A list of what I call 'interaction opportunities' is furnished in Appendix 17.

quantitative analysis, they yielded useful insights into the ways in which people spelt out their concerns relating to FL, FLE and FLCs.

6.3 Conclusion

A flexible grounded theory approach envisaged 'multiple research strategies' involving a range of methods that were appropriate for investigating the research problem (Burgess, 1982). Different data sets were derived through the application of different methods, and also through the use of the same method at different times and with different sources (Brannen, 1992). The combination of different methods sought to add breadth and depth to the analysis (Fielding and Fielding, 1986) leading to the formulation of research conclusions and recommendations.

CHAPTER 7 CONCLUSIONS

Do not believe in anything simply because you have heard it. Do not believe in anything simply because it is spoken and rumoured by many. Do not believe in anything simply because it is found written in your religious books. Do not believe in anything merely on the authority of your teachers and elders. Do not believe in traditions because they have been handed down for many generations. But after observation and analysis, when you find that anything agrees with reason and is conducive to the good and benefit of one and all, then accept it and live up to it.

-Gautama Buddha

I had 'heard' what FAs had to say about FL, and what FLPs had to say about FLE; I had explored curriculum, interviewed course participants and 'heard' what 'elders' in finance had to say. After 'observation and analysis' and testing with 'reason' I 'found' and 'accepted' research conclusions.

7.1 A critique of current approaches

In order to address the research objectives, it was necessary to gather evidence "for a critique of current approaches to the curriculum and delivery of FLE" (Howard, 2006:1)⁴⁸. Earlier sections examined what was currently on offer, and this section summarises the evaluation of some of these current approaches.

Existing FLCs did not seem to advance knowledge learners already had. There was some attempt to expose and clarify financial issues, but in the process some common misconceptions seemed to be reinforced rather than clarified. The course for TTTs tried to familiarise FLPs with gadgets such as mobile key boards and voting sticks, but there did not seem to be any use of technology such as spreadsheets and calculators, except for one or two FLPs' assertion that these were used.

Higher order questions that promoted application rather than mere recall seemed to be asked in the FSA's website, but this did not seem to be used by FLPs. The focus seemed to

⁴⁸ In the report of the upgrading panel.

be on answer getting rather than encouraging reasoning (Swan, 2005). For example, in what was supposed to be a demonstration of an FLE session, an FLP from a local college distributed a case study with a set of multiple choice questions, one of which was 'Who will be able to provide the Josephs with the widest range of advice on planning for [their child] Emily's future?' The answer was presented in the form of four options: A) Accountant B) Bank manager C) Independent financial adviser and D) Solicitor, the correct answer being considered to be C). Clearly, this question had not taken into account the wide variations possible in relation to the competence and trustworthiness of various incumbents to these positions as well as the fact that many independent financial advisers were not really independent, but were known to be influenced by the different amounts of commission offered by different financial services providers.

I looked at knowledge frameworks and epistemologies that might inform an FLC: phases of research-based models on conditions of learning such as Gagne (1985) did not seem to be incorporated in the curriculum. Exercises and case studies were administered to participants, but this did not seem to emphasise competency-based learning (Herschbach, 1992, Herring and Bryan, 2001) or use assessment tools to evaluate competency levels. While some use was being made of cooperative small group work, FLCs did not seem to encourage Action Learning (McGill and Beaty, 2002, McGill and Brockbank, 2004) where practitioners recognise their responsibility for their own life stories (Bolton, 2005). Much of what went by the name of FLE was situated within a narrow "remedial" (Unwin, 1994:89) context.

Current approaches are critiqued below as the Good, the Bad and the Ugly. While I had not noted a similar classification in relation to FL in the past, I found that scholarly studies relating to diverse disciplines such as management (Schwarzkopf, 2009) archaeology (Graf, 2009), geography (Goetz and Vowles, 2009), psychology (Sidanius et al., 2004), surgery (Bosack, 2008), ophthalmology (Novak et al., 2004), and immunology (Eggleston, 2003) had considered such a classification useful and relevant. These terms need some clarification, particularly because they have been interpreted in different ways in the context of the film title (Vincenzoni et al., 1966). In my analysis, the 'Good' were those that may be beneficial; the 'Bad' were those that were inappropriate and unhelpful; the 'Ugly' were worse than 'bad', invidiously including the seemingly good that might even enhance financial 'illiteracy' and reinforce unhelpful attitudes.

7.1.1 The good

England was one of the few countries in the world where the financial regulator had taken on financial education of the public as one of its key objectives. As such, there seemed to be many opportunities to apply for funding from the FSA, DWP, DfES/LSC and BSA/NIAACE for FL projects. A variety of FLE programmes received public funding, and local initiatives were encouraged. While there was some scope for criticism that engagement with FLE and other matters had taken the FSA's focus away from the more complex task of bank regulation, much work had been undertaken and much effort expended in raising FL awareness.

There appeared to be considerable interest in FL within organisations surveyed in the community and education sectors. FLPs generally evinced a keen interest in promoting FL among their course participants, and a commitment to the task of improving public levels of FL. Some FLPs seemed to be willing to innovate and offer participants opportunities to use Excel spreadsheets in computers and on the internet. There were many useful views about what FL, FLE and FLCs ought to mean.

A diverse and wide range of material had been developed by various organisations and individuals. The material developed with the help of public funding was made available to whoever was aware of them and expressed an interest in obtaining them. As observed by an FLP, "there's so much information available on the internet now... there's an awful lot of resources available out there that you can use". The FSA's website⁴⁹, in particular, had excellent material designed to provoke thought as well as provide relevant answers.

7.1.2 The bad

FL was generally viewed in a rather simplistic manner as something easily achievable, given certain inputs. One provider, (2005) for example, advertised an FL course as follows:

"As a practical result of this programme, students and individuals within their local communities will gain a firm grasp of credit and money management principles. **With**

⁴⁹ The FSA's 'Learn Online' is now known as 'Moneymadeclear'. See www.moneymadeclear.fsa.gov.uk

this knowledge, they will be able to make informed, confident decisions and have the tools they need to achieve prosperity.”

Such promotion tended to make FL appear deceptively simple and easy to achieve, and failed to recognise the complexity of the real financial world, and that “there are no ‘quick fix’ solutions” (England and Chatterjee, 2005:97)

Discrepancies appeared between what people said and what they actually did. What people say they believe, prefer, or do, may not correspond with actuality; interviewees have been found to be “telling an untruth, grossly exaggerating or omitting information in such a way as to mislead the interviewer” (Powney and Watts, 1987:45). For example, educators repeatedly emphasised the importance of identifying/meeting individual needs; FLCs were “learner-centred”, there was “no one answer, it all depends”, “do a needs analysis and then take it from there”, “depends on your audience”, “depends on client group”. In reality this needs analysis did not seem to happen. At the outset questions were sometimes addressed to participants asking them to identify their interests and needs. After this, the FLP proceeded to offer the pre-prepared material that was assumed to be relevant to participants prior to meeting them.

While a tutor-led approach can actually be preferred by older people (Carlton et al., 2002), such an approach has to be pitched at an appropriate level to be useful. The FLE on offer to adults seemed to be very basic and rudimentary. For example, participants were shown giant versions of a debit card and store card, and it transpired that all participants were already aware of the normal sized versions of these financial instruments. Such displays might be suitable for younger school children, but not for adults already using them. I observed a T2 in dire circumstances (her family included a bed-ridden husband, and a drug-addict son in trouble with the police) privately asking the tutor whether there were more advanced courses, and I also observed her failing to attend the remaining sessions. The number of participants in the series of end-user courses I had attended dwindled every week, and even the FLP made a comment implying that the course did not seem to be popular. An FLP had told me at a key informant meeting that participants had to be paid to attend classes which they would otherwise not have attended because these were too basic; this information seemed to be confirmed during interviews when it transpired that participants were often given vouchers and other incentives to attend. Observation of

courses for end-users as well as interview and other data reinforced the finding that the level of most of the FLE on offer for adults was too low and simplistic to be of much use.

Some material offered to end-users was pointless and did not serve any useful purpose; for example a popular exercise that I encountered more than once was to ask learners to identify the reference number of an ingredient of FL as listed in the AFCaF (FSA/BSA, 2003) I could not see how knowing that “understand how to plan and manage debt” fell under section E(i) of the AFCaF would help participants improve their FL.

The survey of FLE providers in phase 2 of the research revealed that the majority of FLPs had no formal qualifications. Observation of FL courses brought home the inadequacies of some of these FLPs for the task they were expected to perform. I had observed that one FLP experienced problems multiplying a weekly figure by four to arrive at a monthly figure, and also presented an incorrect calculation of a percentage rate of interest. (When I later talked to her privately after class was over, she agreed that something seemed to be wrong with the figure she had put forward). FLPs appeared to be ill-equipped to appreciate the nuances of finance, still less be able to counter misleading information that might be put forward by financial institutions. It appeared that FLE levels were low, because many FLPs were unable to deal with higher levels. Their knowledge and understanding of financial matters seemed to be severely limited, and this seemed to explain the reason for the low level of the material being presented. Comparatively simple but vitally important calculations such as compounding of interest rates, that might have been expected to have been learnt at school level GCSE maths, seemed to be beyond the current levels of understanding FLPs. (This did not surprise me as I had frequently encountered a similar lack of mathematical knowledge at HE level, and poor national numeracy levels have been well documented.) While it is understandable that FLPs may not have heard about more advanced concepts such as PV/FV, and not clear about what AER signified, all of these terms, in fact, dealt with the impact of compounding of interest which is essential for a proper understanding of interest rates and the true cost of borrowing. However, FLPs did not seem to have a grasp of the effect of compound interest, something that would have been expected of someone who had undergone maths education at GCSE or Sfl levels. In the circumstances, despite good intentions, courses did not seem to add to the knowledge and understanding that the learners already possessed prior to course attendance. It was repeatedly found that end-user interviewees had difficulty even recollecting the FL courses,

though they were happy to volunteer the information that they had found the ESOL courses very useful. While they recalled that ESOL courses had improved their command over the English language, they did not seem to feel that FL courses had improved their FL.

There was a reluctance to engage with assessment tools, and a preference to cite 'needs of the group' as being paramount. In a sense, this approach vested complete discretion with the FLP, who was then free to offer whatever he or she felt was "appropriate to group needs". In the absence of uniform and rigorous assessment tools and methods, the quality and usefulness of interventions cannot be meaningfully evaluated.

While many FLPs seemed to be lacking in financial knowledge and understanding, they seemed to be reluctant to undertake any new learning themselves, and wrong information was inevitably being passed on to participants. APR is an example of something that was not really understood by many FLPs, though some of them did acknowledge that it was necessary to know "how to work on APR, how to...work out mortgage payments". There may be multiple APRs, tiered APRs, penalty APRs, introductory APRs and delayed APRs, and yet all these APRs may still not include many other potential charges such as early redemption penalties. However one TT2 advocated that course material "needs to be simplified instead of the individual having to work it all out themselves...it just needs to be simplified down more to this, you know, 5.4% APR which you pay back over 25 years averaging out...[APR] also includes early payment fees and things like that so even if you are borrowing a lot of times something at 5% APR, you don't actually end up paying 5% of the total loan, so that again is not so much the working out the percentages as understanding what APR actually entails." What she said was clearly wrong, and obviously, she herself had an inadequate understanding of APR and likely to misinform her students. The same FLP, talking of PV which had been explained to her in the course for TTs, commented that "the way inflation is going at the moment I suppose there is quite a high emphasis on that", having forgotten that PV had nothing to do with inflation.

The first course I had observed had rightly stressed the "importance of ensuring own skills are up to date". In practice, FLPs seemed to invariably assume that it was their participants' skills that were woefully inadequate, and never their own. Some FLPs, who were teaching at Levels 1 and 2, complained that the CoBAL course was "too high a level", though when probed agreed that it had indeed been set at level 4 as advertised. One

objected to the FLPs having to learn themselves: "I think we also said it was more based around our role in delivering to people as opposed to us learning in a way or may be what we learnt was again aimed to be too high". One TT2, who was not too happy about the CoBAL course she had attended, said that "we were a bit put on the spot, I mean obviously because if you couldn't do anything meaningful for your own finances", when their own skills were being developed in interest calculations and Action Learning. Another TT2 commenting on CoBAL said, "Bring it down to a basic level for a lot of people...Try and get people to realise that it's not a bad thing to not be able to understand because...there's some huge barriers. You know people don't like to admit that they've got problems do they?"; what she said about her learners seemed to equally to apply to what I observed in many FLPs, a reluctance to "practice as [they] preach" (Casey et al., 2007:20) and to admit that they could do with some financial learning themselves.

The "abundance" of resources was found to be "overwhelming" (Wolfe-Hayes, 2010:6). Piecemeal funding seemed to have generated a confusing plethora of material, some of which was duplication, some out of date, some unclear and some inaccurate. There did not seem to be any effective means of ensuring the quality of material being churned out. Many FLPs, including CAB workers, seemed intent to safeguard their material under a shroud of confidentiality which seemed unwarranted when funding had been accessed from public sources. Competition for funding seemed to make the providers secretive about their individual programmes; they stood to gain by projecting their own programme and material as being in some way superior to the others. "I have my own programmes" as one FLP put it. This lack of transparency made it even more difficult to evaluate the material and verify as to whether it met the required standards.

There seemed to be a general reluctance to use technology such as spreadsheets that would have the potential of putting the participant on a par with bankers. There were notable exceptions such as the TT who said she had "delivered sessions showing people how to use spreadsheets to create budgets, and also where to access spreadsheets that are already available... on the internet" and she said a lot of this was at level one or basic level. The majority of FLPs felt that their participants would never be able to master Excel, and some of them seemed to imply that they themselves were not comfortable using it.

The curriculum contained material that seemed to reinforce a consumerist culture which gave no thought to saving/investing for the future or working for a living. Case studies were not inspiring, and were notably lacking in attempts to develop motivation and drive.

Research had revealed that men and women with low literacy/numeracy levels “were more likely to receive state benefits [e.g. income support, housing benefit, council tax benefit]” (Bynner and Parsons, 2006:44); literacy improvers were “less likely to be living on state benefits or to be part of a non-working household” (ibid:58). It might therefore be expected that FLE would encourage employment-seeking strategies. However, the FLE on offer did not seem to encourage the exploration of one’s potential for gainful employment. There seemed to be an assumption that FLE was aimed at what news reports described as “a slice of society that does not want to work” and there are some who are “so utterly lethargic [they cannot] “even be bothered to claim benefits” (Miles, 2009a). Those who could already be struggling with low motivation and lack of self belief seemed to be offered information on how to get their due share of benefits, but not on how they could aspire for more. One of the participants who described herself as an ‘employment officer’ did speak about how her charity tried to help homeless people get professional qualifications in construction in order to move to employment, but these were separate courses and not FLE. Much of FLE seemed focused on motivating people to claim benefits, and there was no evidence that it sought to promote the work ethic. Rather than offer them case studies of people trying hard to get a job, there were case studies of young people living on benefits and eating cake with no plans of trying to work for a living. If the intention had been to project these case studies as depicting lifestyles that needed to be avoided, that was not evident in the classes that I observed.

There is a vast body of scholarly research in relation to relevant areas such as personal finance, behavioural finance, and human psychology. However, there was little evidence that any of the FLE being developed was informed by scholarship and academic theory. The curriculum emphasised the acquisition of information and knowledge rather than skills and competency-based learning. There were exercises and case studies, but no specific encouragement of strategies such as Action Learning focused on changing attitudes and behaviour.

7.1.3 The ugly

There were inaccuracies and misrepresentations in FL material. For example, in the guide to delivering FL (RBS&TH-SAFE)⁵⁰ launched in the premises of the FSA with much fanfare, the Annual Equivalent Rate (AER) was described as the "interest you get from a savings account expressed in a standard way that takes into account not just how much you get but when you get it." AER is equally applicable to loans, but banks in the UK never show AER for loans as that would expose the true interest cost of borrowing; banks only show it for savings as that made interest rates look more attractive than in their non-compounded form⁵¹. This guide, which incidentally was sponsored by a bank, conveniently reinforced the perception that AER was something only applicable to savings and not to loans. Publishing AER for loans would instantly facilitate comparison of the effective interest rate across loans, but this did not happen as it was not a legal requirement. The APR is published as it is a statutory requirement, but as this includes other charges not directly comparable between banks, and a thorough understanding of APR would require a detailed study of the relevant Office of Fair Trading (OFT) document (2007), it is not very well understood, and individuals tend to give APR no more than a cursory glance and focus on the advertised interest rate. Accurate interest rate comparisons are impossible to make without the ability to understand effective rates of interest, as they are expressed in different ways without clearly revealing a number of important factors such as the time of interest application and the frequency of compounding.

⁵⁰ The guide did not record the year of its publication.

⁵¹ A common trick used by financial institutions is to omit the per annum (pa) after an interest rate, thereby reducing the apparent cost of a loan or increasing the apparent return from an investment. For example, a loan misleadingly advertised as having an interest rate of 'only ½%' could actually mean ½% per day or 182.5% per annum; if this is compounded every day the AER will work out to a phenomenal 517% pa. As on 29th August 2010, for example, Provident Personal Credit quoted an APR of 545.2% for a loan of £500 repayable over 23 weeks, and QuickQuid quoted an APR of 2222.46%. (The AER, which would have enabled the precise calculation of compounding frequency, was not indicated.)

Many publications, like the guide above that had been sponsored by a bank, did not indicate the year of publication, rendering difficult any future detection of material that had been out of date at the time of publication.

Websites recommended as being continuously updated were found to contain out-of-date material. Personal finance is a dynamic and constantly changing field where access to up-to-date and current information is essential; it is simply not adequate to depend on publications 'updated' once in two years or even annually.

Some FLE material seemed to reinforce unhelpful financial attitudes and behaviour. The case studies portrayed struggling individuals dependent on benefits continuing to indulge in unhelpful spending behaviour. "Sam" was 23, claimed benefits and wanted to move from her parents' home and live independently without any plan of taking up a job. "Irina" spent her money on coffee and crisps. "Anna" was 26, and sat eating cake while spending the severely limited amount of money available on dancing lessons and presents for her daughter; there was no mention of efforts to look for a job, and her sources of income seemed limited to benefits. That young individuals without known disabilities should subsist entirely on benefits seemed to be put forward as normal and to be expected. There was no discussion on the possibility of working for a living, the focus being on the ability to calculate income and expenditure and being able to live within the benefits entitlements. Cases studies, as well as some of the discussions that followed, did not seem to provide alternative and more energising world views. FLE itself seemed to become a form of reinforcement of dependency attitudes. The virtues of self motivation and hard work did not seem to be put forward as viable alternatives to stagnation on benefits. No hope for a better future seemed to be on offer, and the most such people could do seemed to be to get to know their benefit entitlements better.

Welfare benefits may be necessary for those in dire need of help for survival. There could also be situations where "people who are entitled to receive welfare benefit may not come forward to claim it" (Hernandez and Pudney, 2007:327, Kerr, 1982) for various reasons. On the other hand, Bond (1998, 2000) and others have highlighted the complexity of the financial decision-making facing those who sought to make the transition between claiming benefits and waged work or to recombine both afresh. NIACE (2004:3) found that issues of savings had "labyrinthine connections to the Benefits System". Policy-makers and others

had found that the “benefits culture...puts a break on the return to work of the unemployed” (Strauss-Kahn, 2004:14). Newspapers had reported on “how young most of the [benefit] claimants were. And how fit and able-bodied and capable of work...there were jobs that they could do” which they could not be bothered to take up (Miles, 2009b). While “media attention” could be “disproportionate” (Gillborn and Mirza, 2000:23) and “distorted” (Hammersley, 2003:1), a number of scholarly research articles had examined the “dependency cultures” and “the poverty of aspiration” (Raco, 2009:438, Fudge, 2009), “the growing conviction that [welfare] programs favour behaviour leading to dependency on public social assistance and consequently a reduction in the intensity of job search” (Ayala and Rodríguez, 2007:238), the need for reducing the dependency culture (Hyland and Musson, 2001), and “welfare in the form of cash assistance to able-bodied/minded adults” that “has created a culture of dependence” (Jordan, 2004:19).

While initial searches for ‘benefits’ did not yield much result, an amended search for ‘welfare to work’ yielded 488⁵² hits among scholarly journals in one database. There seemed to be much evidence that “if an individual is unemployed and already receiving welfare benefits, he or she will likely choose to stay on welfare” (Arie Sherman, 2009:290), and for the argument that “the welfare system may be creating dependency and/or creating disincentives to engage in the private economy” (Jordan, 2004:29). Welfare services “may become barriers along the road into mainstream employment” and “impede a smooth transition into working life” (Vedeler, 2009:63); “welfare receipt at one point in time induces more receipt in the future” and this effect has been described as “welfare scarring” (David A. Green, 2004:1471). People could be dependent on benefits for a number of very valid reasons, and the intention could be to reflect the real-life situations of some of the course participants. However, the focus was on fire-fighting: how to manage with limited incomes, how to maximise benefit entitlements, rather than how income could be maximised through gainful employment. FLE can and should be seen as an opportunity to motivate individuals to seek employment, work hard and achieve their full potential.

Often, FLPs’ sympathy for vulnerable participants appeared to be linked to ‘deficit modelling’, viewing participants as people with “lots of problems” and inadequacies, and as

⁵² Accessed on 4 August 2010

the major problem themselves, largely ignoring learning environments and instructional practices. FLPs seemed to entertain pre-conceived negative notions about the capability of their learners, pigeon-holing them as incompetent and debt-ridden. There were routine fulminations against participant indebtedness. (I had noted a similar tendency among university lecturers to view many of their students as 'defective'.) There seemed to be an assumption that the financially vulnerable had a kind of inner defectiveness that would keep them in the vulnerable state. The learners were deemed to be at the bottom of society, illiterate, indebted and demotivated, an underclass of those who had made a mess of their lives by their own actions, and attempting to teach them anything more than the very basic information considered to be of no use. This perception of the "low" level of their learners seemed in turn to lead to a generally patronising attitude that considered the participants as somehow inferior and unable to ever attain FL. Some research findings suggest that such a view is unjustified, and that in general, poor people manage their finances with care, skill and resourcefulness (Kempson, 2002, Middleton, 2002, Buckland, 2010).

As Sandlin (2000) had pointed out, some adult literacy programmes actually worked towards maintaining or reproducing current class inequalities through placing blame for financial failure on learners and ignoring larger social, political, and economic contexts.

Courses were offered in a language that was not very well understood by the participants, negating any benefits that might have arisen had the contents been understood. Some participants spoke different languages and were deficient in their mastery of the English language, but no attempt was made either to use translators or a tutor that spoke the language of the participants. Research has found that when individuals are confronted with people who do not speak their own language, they tend to speak more loudly and slowly, assuming somehow that louder slower speech would facilitate better understanding; lack of language expertise became equated with deafness or inability to communicate. Confronted with ethnic women many of whom were not fluent in English, FLPs could reach the conclusion that these women were somehow defective in relation to their financial capabilities.

Having defined the typical participant as 'defective', the interventions seemed to follow a negative focus on what participants should not do rather than what they should do. Focusing on the negative tended to reaffirm the negative. An FLP claimed his job was

“concentrating on keeping them away from debt”. “If you’re looking at a mountain of debt, feeling terrible about it, that’s the signal you’re putting out...‘I feel really bad because of all this debt I’ve got.’ You’re just affirming it to yourself. You feel it on every level of your being. That’s what you’re going to get more of” (Byrne, 2006:13). The focus seemed to be on the ‘mountain of debt’ and that is what participants seemed to ‘get more of’.

FLPs seemed to emphasise an ‘us’ and ‘them’ divide. FLPs were exposed to new concepts such as PV/FV and calculations of loan repayments as CoBAL curriculum components, and most of them seemed able to undertake the calculations and use Excel spreadsheets, and only one or two needed additional support. The UK government has set up libraries with free computers in every part of the country, a facility undreamt of in many other countries. Yet most FLPs seemed convinced that their students would never be able to master these concepts and calculations. There were one or two FLPs who said they used spreadsheets for their courses, but the vast majority did not.

The ‘us’ and ‘them’ divide seemed to work in subtle ways, perhaps unconsciously sparked by sartorial, linguistic and racial differences. For example, there seemed to be a strong conviction that FL courses should offer participants a knowledge of Sharia products and Islamic banking. This was expressed in the form of concern for individual differences and the need to encourage individuals to follow their own cultural practices. Many FLPs said that they felt it important to bring to the attention of their course participants the existence of Islamic banking and Islamic products. One TTT complained that the organisers of their course had included nothing on Sharia law: “there wasn’t anything on Sharia law, and they had to add it in for us because we raised that question on the first day.” There was no evidence that these tutors had researched Islamic products and found them to be better value, or even felt the need to evaluate the value of Islamic products. It seemed to them a kind of social obligation to encourage Islamic banking among Islamic participants.

Research has documented “the disappointing economic performances in the lands of Islam” and the hampering of “economic performances by a long tradition of despotism and insufficient competitiveness...It bears noting that, in countries where Islamic banks coexist with conventional banks and where people have the freedom to choose between them, only a minority of the Muslim population maintains accounts at Islamic banks: the market share of the latter is a tiny 1 percent” (Platteau, 2008:346, Kuran, 2004:123). The classical Islamic

system is considered to have given rise to an 'institutional trap' impeding economic development (Kuran, 2004, 2003). Islamic banking is not considered to be very different from conventional banking, and the rapid growth in Islamic banking is largely driven by the Islamic resurgence worldwide rather than by intrinsic product advantage (Chong and Liu, 2009). The "Muslim faith" has been found to "affect one's ability to equitably participate in financial activity" (Pinto and Chan, 2010:62); "practising Muslims are disadvantaged in their ability to participate in wealth-accumulation, acquiring a home and possibly higher education" (ibid:70). Bloomberg BusinessWeek⁵³ (Matlack, 2009), and mortgage brokers such as Savills Private Finance, as well as the director-general of the Institute of Islamic Banking and Insurance in the UK were reported to have stated (Griffiths, 2010, Bridge, 2008) that Islamic products were more expensive than alternatives. The Islamic Bank of Britain (IBB) did not pay any interest on current accounts, though there were non-Islamic banks that did. There were Islamic sites which acknowledged that "Muslim Mortgages" were "more expensive than traditional interest based mortgages"⁵⁴. The use of Islamic products was promoted on religious grounds and not on economic ones; the concern of the designers of these products was to pass the Sharia test and acquire competitive strength based on religious beliefs and not on intrinsic value.

An FLP guided only by participants' financial well-being would make participants understand the varying degrees of value underlying various products, and then encourage people to look at their individual financial circumstances and make informed choices. Emphasising the availability of Sharia products without any attempt to evaluate their financial value seemed to be a deliberate attempt to give the products religious colour and discourage clear thinking vital for sound financial decisions. Many FLPs seemed keen to exercise some kind of a moral compulsion on Muslim participants to go for Sharia products, such that those who decided nevertheless not to go for these products, would be left nursing feelings of guilt for not following their religious obligations. The enthusiasm of some FLPs to emphasise Sharia products, products that they themselves would not opt for, seemed to be a devious way in which cultural differences were sought to be maintained even if it meant keeping the downtrodden down. An evolutionary biologist might conclude that persuading others to go

⁵³ See www.businessweek.com

⁵⁴ See for example <http://www.islamicmortgages.co.uk/index.php?id=231> (accessed 4 August 2010)

for low value products would decrease their fitness and increase the relative fitness (Darwin, 1859) of those who did not buy such products. In my view, the direct or indirect propagation of Sharia products in FLE violated the OECD's 'Recommendation on Principles and Good Practices for Financial Education and Awareness' that "Governments and all concerned stakeholders should promote unbiased, fair and coordinated financial education" (OECD, 2006:3).

To summarise, there was much that was good and much that was bad and much that was ugly, the good, the bad and the ugly merging or interchanging into one another so that the seemingly good was actually bad or ugly and vice versa. In my view *il Brutto* and *il Cattivo* seemed to outweigh *il Buono*.⁵⁵

7.1.4 Pork-barrel and charity

Allocation of resources for FL programmes, whether in the form of funding directly allocated by the government or in the form of sponsorship made by financial services organisations, seemed to be following a pork-barrel approach. It is known that slave-owners in America offered their slaves reward in the form of salt pork in a barrel, and the slaves had to compete among themselves in order to get a share. A *pork-barrel* approach has come to signify spending where benefits are concentrated in a specified area and costs are spread over all the taxpayers, and where the issue is "not one of program effectiveness, but rather one of political efficacy" (Patton, 1978:14). Political gains are perceived both by politicians as well as financial services providers seen to be promoting FL among the public. It is "difficult to terminate programs and agencies once they are created by government bodies", because "programs rapidly develop constituencies whose vested interests lie in program continuation. The rationale is to give out money where it counts politically, not where it will be used most effectively" (ibid). "Literacy education is inextricably bound up with politics" (Stannard and Huxford, 2007:181). Government proposals that required the FSA to promote public understanding of financial systems stimulated consumer education initiatives (Bond and Boucher, 2000). In 2006 the FSA promised to spend £10 million on financial capability, and the FSA and the pfeg, which is mostly funded by financial services organisations, envisaged the spending of £15 million over five years in supporting teachers

⁵⁵ Italian: *il Buono*, *il Brutto*, *il Cattivo* for the good, the ugly, the bad

and developing teaching materials (FSA, 2006a). Many would-be pork-barrel projects benefit publicly funded councils as well as private FL teachers who have a vested interest in the continuation of the educational programmes.

It was found that there was pressure to spend the funds allocated for FLE within the strict time frames. One TT described her role as being “responsible for liaising with colleges and training providers to make sure that the money we give them is spent correctly. I monitor their performance...If we’ve given them let’s say £2m for a 100 learners, then I would be asking them if they’ve only accredited 50 learners then what have they done with the rest of the money...So I’d be planning and managing their performance”. Such pressure to spend large sums of money within a short period of time seemed to prevent adequate attention being given to the quality of the projects on which the money was being spent.

Combined with the pork-barrel approach was the charity approach (Patton, 1978). Financially literate financial services providers or bank sponsors may show compassion for the financially illiterate debt-ridden individual and allow “crumbs that fall from their master’s table” in the form of sponsorship of FLE as part of their CSR strategy, but the masters did not expect the dog to reach their own superior status of financial well being; only the crumbs were thrown to the dogs, and the choice meats and profits reserved for themselves and their children⁵⁶. The crumbs would serve their purpose so long as they demonstrated the good intentions of the masters, and kept the dogs content in their inferior status. Educating dogs to calculate repayment amounts by themselves via simple formulae and spreadsheets, would mean the dogs would take their place among the family at the table. On the other hand just showing them the very basics of addition and subtraction, and advising them not to get indebted (something they are likely to have recognised themselves) would enable the continuance of the present order without much disturbance to relative financial status. “Since status is a moving target, there is no such thing as enough money” (TheEconomist, 2008).

⁵⁶ See Matthew 15:26-27 in the Bible, King James version: “It is not meet to take the children's bread, and to cast it to dogs...yet the dogs eat of the crumbs which fall from their masters' table”.

Research has shown that financial services providers are able to offer good value products to the financially sophisticated by exploiting the financially naïve by psychological pricing (Ashton and Hudson, 2008); it would therefore not be in the interest of financial services providers to produce material that might enable all consumers to reach a state of financial sophistication. Thus the unwillingness of the FLE provider or sponsor to allow the participant to rise to his or her level of FL, did not seem to be dissimilar to the unwillingness of a banker to forgo profits obtained by 'keeping the customer down'. Though individuals in the lower strata in England at whom many FL programmes were targeted may be fairly well off on benefits compared to their counterparts in other countries without similar social support, that did not change the fact that in a relative sense they were at the bottom of the heap in their country, and in this sense "[we] have the poor always with [us]"⁵⁷. In fact, it may be possible to interpret the 'irresponsible' borrowing behaviour of low income individuals as an attempt to seek higher financial status, rather than due to intrinsic financial 'illiteracy'.

A critique of current approaches to FLE is further continued in the concluding chapter of this thesis in the form of recommendations for improvement.

7.2 Emergent theory

The research design, data collection and analysis focused on looking for underlying themes that might suggest theory that could encompass and explain what was happening (Merriam and Simpson, 2000). Theory emerged from the repeated occurrence of concepts and also when these were "noticeably absent" (Strauss and Corbin, 1998:202). Survey forms, course participants and interviewees and others offered insights by what they said or did not say. The research was a series of investigations that evolved over a period of time. The survey analysis for examining the nature of FL was followed by a survey of FLE providers for examining the nature of FLE, which was followed by observation, exploration and interviews for identifying components that might be needed to form a part of an effective FLC. Each phase of the research offered new insights. Grounded theory methods provided a set of inductive steps from the "concrete realities" to "a conceptual understanding" of what was happening (Charmaz, 2002:675).

⁵⁷ See Matthew 26:11 "For ye have the poor always with you".

The integration of research findings provided the theoretical direction of the analysis. Following the grounded theory approach, I sought to sort data, map several ways of ordering the information and choose the order that worked for the analysis and create links between various categories, identify underlying concepts, and use these concepts as building blocks for theory, as exemplified in the table below.

Table 14: Examples of hexangulation/integration of research findings

Survey of FAs	Survey of FLE providers	Exploration of CoBAL curriculum components	Observation	Interviews	Interaction with key informants	Example of FLC component	Example of FLE	Example of FL in the form of actual financial performance
Major themes were that FL involved money management, informed decisions, maximising income, handling debt, budgeting/living within one's means	Key characteristics of FLE were perceived as "independent living skills" such as budgeting debt management and income maximisation	Almost all participants were in favour of Action Learning that focused on improving actual performance	Participants were given details of actual bank products and interest rates that need to be considered while making financial decisions.	Emphasis was placed on FL as "practical activity...relating to peoples lives" and as "day-to-day living"	The prime concern was the vulnerable financial status of the people at whom FL interventions were aimed at.	Developing competency in the calculation of AER	Calculating the true effective interest rate and costs so that the best rate product is chosen; recognising that Interest rate that is advertised is not always the effective interest rate	Reject Leeds and Holbeck (L&H) Building Society fixed rate mortgage and choose 'Virgin One Account', thereby repaying loan within 4 months instead of 25 years

FLE was viewed not so much as something for which leaflets were required be distributed but as skills and abilities which involved the attainment of living within one's means.	FLE was viewed not so much as involving progression routes, accreditation and qualifications , but as a means for dealing with indebtedness in real life	Almost all agreed that FLE had knowledge, skills and attitudinal dimensions. The almost universal support for Action Learning seemed to acknowledge that any learning had to be applied to diverse individual circumstances in order to be meaningful.	Courses seemed to draw on participants' prior knowledge and experience relating to the financial world	Indebtedness is a major problem FL refers to day-to-day living	Differing perceptions in relation to the value of numeracy, language and literacy, implied that FLE could be all these and more.	Knowledge, skills and attitudinal competencies required to improve one's financial situation; Action Learning: Identify goals and develop aspirations to reduce debt and start saving for the future; Identify areas where expenses	A multidimensional education, incorporating many aspects of human intelligence required to save in order to meet future expected and unexpected requirements	Reject spending on crisps, and invest saving in deposit account
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						can be reduced, open savings account (within one week), deposit money, saved by avoiding avoidable expenses, in savings account (within one month)		
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<p>'Maximising welfare benefits' was fairly high as an area of concern for FAs. The query was: "When will they ever learn?" seeming to imply that "they" never would</p>	<p>'Understanding benefits' was an important area covered by FLE; 'basic skills' sessions carried a lot of stigma, and were associated with the vulnerable and deprived.</p>	<p>Participant comments that while they had undergone new learning experiences in the course, their own participants would never be able to do so themselves.</p>	<p>Case studies depicting individuals on benefits making no efforts to move from welfare to work</p>	<p>Repeated assertions implying that participants were not in a position to aim higher than their current situation would allow</p>	<p>Westminster briefing presentation that calculated the impact of FLE in terms of increase in benefits claimed.</p>	<p>Current FLCs seemed to reinforce dependency attitudes; this needed to be offset by developing aspirational goals via Action Learning combined with web-search skills in relation to employability</p>	<p>Developing aspirations to move from welfare to work, health and other factors permitting</p>	<p>Make efforts to move from welfare to work by applying for jobs/job related training programmes</p>
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Constraints of space do not permit a discussion of all of the data generated for this research or even all of the data analysis in order to trace the emergence of findings from research evidence. The table above is thus indicative and not exhaustive. Efforts were made to look at, analyse, review, re-order and integrate data with a view to answering the three research questions. This section does not intend to repeat what has already been stated in earlier sections, but attempts to summarise and develop the findings and to arrive at conclusions.

7.2.1 What is financial literacy?

As mentioned by a TTT, there were “actually quite a few definitions of FL”, and there were quite a few views about what FL was. The initial survey analysis of FAs seemed to indicate that FL was primarily a matter of understanding; there were 57 out of 195 responses (29%) in favour of this view. In the light of subsequent insights and review, I found three major categories emerged: financial understanding and knowledge, financial capability and financial performance, as indicated in the table below; I decided to ignore ‘confidence’ as that might be misplaced, confidence and knowledge accuracy having been sometimes found to be “completely independent” (Forbes and Kara, 2010:1), and in any case this had received a negligible number of responses.

Table 15 Financial literacy as viewed by financial advisers

Category	What is FL?	Number of responses	Total	%
Knowledge and understanding				
1	Understanding/comprehension	57		
4	Knowledge/information/awareness	18	75	38
Capability				
5	Natwest definition	18		
7	Numeracy	8	26	13
Performance				
2	Money management	34		
6	Informed decisions	17		
10	Maximising income	4		
8	Handling debt	5		
3	Budgeting	27	87	45
Other				

9	Confidence	4		
11	Other	3	7	4
Total			195	100

Categories were classified and reclassified, as different interpretations and emphasis had different implications. For example, was 'budgeting' understanding or capability or performance? The word could mean 'to prepare a financial plan' or 'to make financial arrangements'; so was this just an academic exercise that involved knowledge or understanding or capability, or was it the actual 'making of financial arrangements'? The etymological root of the word budget, which had originated in early 15c., was 'leather pouch', from M.Fr.⁵⁸ 'bougette', diminutive of O.Fr.⁵⁹ 'bouge' "leather bag, wallet, pouch," from Classical Latin bulga "leather bag,,"; pouches were used for holding money that represented the level of financial performance, not lists of paper. 'Budgeting' was therefore to be interpreted as actual management of finances within one's means, rather than the simple ability to draw up a list of items representing income and expenditure. The context in which the word was used by respondents seemed to favour this interpretation. When FAs complained about individuals being unable to budget, they were thinking of actual financial performance and not the capability to draw up a list of income and expenditure. Viewed thus, budgeting would need to be classified under performance rather than capability

I now saw that the votes for the three major categories were (38%, 13% and 45% respectively), While a large number of advisers thought FL was a matter of understanding and knowledge, an even higher number thought it was financial performance, and a smaller number thought it was capability. It was also arguable as to whether the NatWest definition counted as capability or performance; though the definition commenced with the word 'ability', the emphasis seemed to be to 'make informed judgements and take effective decisions regarding the use and management of money ' rather than some abstract ability not demonstrated in action, and If the NatWest definition were to be interpreted thus, the majority vote of 54% (45%+9%) of FAs would be for FL to be viewed as actual performance.

⁵⁸ Middle French, the French language as written and spoken c.1400-c.1600

⁵⁹ Old French, the French language as written and spoken c.900-1400, more than 90% of which was from Vulgar Latin.

In the survey of FLE providers, key characteristics of FLE were perceived as “independent living skills” such as budgeting, debt management and income maximisation. During observation of FL courses it was noted that participants were given details of actual bank products and interest rates that needed to be considered while making financial decisions. During CoBAL exploration almost all participants were in favour of Action Learning that focused on improving actual performance. Interaction with key informants revealed that their prime concern was the vulnerable financial status of the people at whom FL interventions were aimed at.

While some respondents talked of FL in the manner of an intellectual discipline whose topics were “delivered” to participant receptacles waiting to be filled, others differed. As observed by one TT, “I’ve noticed that many people talk about FL... like they teach maths or English or geography. They don’t understand that it is different from geography or history. It is behaviour, how you deal with money, and how you manage it, and the choices you make every day... more input in how to behave in relation to money...FL, I insist on the fact that it is a matter of life”. Phrases such as “to take control of their own finances”, “complete everyday financial transactions”, and “it’s a functioning thing” also seemed to capture the essence of FL. And as summed up by another TT, FL is “the end result of FLE”. FL is an outcome, the outcome of both formal and informal learning within and outside classrooms. The conclusion of this thesis is that FL is not so much a subject area that is taught and assessed in laboratory situations, but an outcome in the form of actual behaviour in relation to financial matters.

Thus FL is more than literacy in the traditional sense of knowing how to read and write. FL is more than knowledge or information. While the FSA’s preferred phrase for the past several years has been ‘financial capability’, FL is more than even capability. A distinction needs to be made between competence and competency: competence is the potential to perform, while competency refers to the behaviours that an individual must have, or must acquire, to input into a situation in order to achieve high levels of performance (McConnell, 1998).

Research question one was: ‘What is financial literacy?’ Based on evidence arising, **proposition one of this thesis** is: financial Literacy is demonstrating capability in terms of

actual performance in the financial world. Thus financial literacy is effectiveness of the individual's financial performance.

7.2.2 What is financial literacy education?

The initial survey analysis of FLE providers seemed to indicate that FLE was fairly simplistically conceived of as primarily a matter of information and knowledge. This was of some concern as offering financial information with the benefit of hindsight was not likely to make an individual financially literate in an "dynamic, unpredictable and sometimes dangerous" (Mandelbrot and Hudson, 2005:121) financial world. On the other hand, I noted that most formal FLE took place in embedded form within literacy, numeracy, and language programmes for adults. The complex nature of FLE had been acknowledged as having numeric, linguistic and literacy contexts in a formal setting, and as being embedded in work and everyday activities in its non-formal form. In the survey of FLE providers, a major reason given by people for undertaking FLE was indebtedness, and clearly indebtedness was not something that could be eliminated by information/knowledge alone.

In a personal communication Hende (2003), Chief Executive of pfeg, commented that she was often asked if it was possible to take an examination in personal finance. Some organisations such as the ifs had developed examination-based qualifications in personal finance, and NOCN purported to offer 'national qualifications' such as 'NOCN Entry Level Award in financial Literacy'. However, most FLE providers had not envisaged any 'progression' or 'accreditation' in an academic sense, seeming to acknowledge the complex nature of 'real life' which was the rationale for the education. While qualifications might be useful to evaluate the rigour or level of a programme⁶⁰, most FLEs did not offer any qualifications for their participants, again implying that these were inappropriate when the assessment took place in the form of financial experiences. FLE for end-learners seemed to be viewed not as leading to a one-off intervention concluding in some attained 'qualification', but rather as facilitating the development of substantive skills (Brown, 2009). There seemed to be a need for FLE to be dynamic, to keep pace with changing environments and

⁶⁰ Subsequent to the research published in 2005, and in response to my suggestion as well as to felt needs, the Financial Literacy Accreditation Working Group (FLAWG) was set up in 2006 by NIACE, and I have been a part of the Group that has continued to meet several times a year to deal with related issues and obtain an overview of current FLE provision.

situations, as implied in the concept of Continuous Financial Literacy Development (CFLD) (Lee, 2001), which was something akin to CPD or Continuous Professional Development undertaken by professionals to keep themselves updated. Further, FLE seemed to frequently involve the collaboration of diverse organisations indicating the need for several perspectives and types of expertise to combine. While many FLPs seemed to consider knowledge as a simple ladder or hierarchy from data to information to knowledge (Davenport and Prusak, 1998), this “monovalent conceptualization of knowledge” seemed to be rejected by the frequent emphasis on ‘day-to-day living’ skills which implied a more polyvalent or multivalent view (Mingers, 2008:62) of financial knowledge as a type of learning that makes knowledge usable in contexts other than that in which it is learned (Erekson, 1992).

In the survey of FAs many of whom were also FLE providers, FLE seemed to be viewed not so much as something for which leaflets were required to be distributed but as skills and abilities which involved the attainment of living within one’s means. During observation of some FL courses it was noted that even though these did not add much value, there had been attempts to draw on participants’ prior knowledge and experience relating to the financial world. During CoBAL exploration, though some participants voiced concern about the ‘advanced’ nature of the content, almost all seemed to agree that FLE had knowledge, skills and attitudinal dimensions. The almost universal support for Action Learning seemed to acknowledge that any learning had to be applied to diverse individual circumstances in order to be meaningful. Interaction with key informants revealed differing perceptions in relation to the value of numeracy, language and literacy, implying that FLE could be all these and more. There was also some prior literature supporting the multidimensional nature of literacy in general and FLE in particular. FLE thus seemed to be multidimensional, incorporating many aspects of human intelligence (Gardner, 1983) such as linguistic, mathematical, interpersonal, intrapersonal and logical (common sense). A key finding in relation to FLE was that it was a hybrid field.

An evaluation of FLE would need to acknowledge that “the focus of all evaluations should be on the practical application of what has been learnt” (Archer, 2005:15). FL was described in the foregoing section as demonstrating capability in terms of actual performance. Competence was the potential to perform while competency was actual performance (McConnell, 1998). FLE was education that was engaged with the development not only of

relevant competences but also of competencies; the potential to perform would need to result in FL or demonstrated skill or judgment in making the actual financial decision or performing the actual financial task.

Research question two was: 'What is financial literacy education?' Based on evidence arising, **proposition two of this thesis** is: financial Literacy education is multidimensional education involving a host of complex factors relating to awareness, action, critical reflection and experiential learning that lead to more effective financial performance and experiences. Thus financial literacy education is education that enhances the effectiveness of the individual's financial performance.

7.2.3 What might be the components of an effective financial literacy curriculum?

The word 'curriculum' has been interpreted in a number of ways. A curriculum has been described as a single course, and also as a series of linked courses leading to the mastery of a discipline. It has been varyingly interpreted as what is taught by a teacher in relation to a topic chosen for instruction, or whatever is taught by a teacher in class or whatever is taking place within the classroom. While the use of the term seemed to have become progressively limited in conceptualisation, I considered it important to go back to the etymological root of the word that envisaged a broader meaning. The word has Latin origins from *currere* 'to run' and *curriculum* meaning 'a running, course, career'. Thus curriculum vitae literally means "course of one's life". In 'The Curriculum', which is reported to be the first textbook published on the subject, Bobbitt (1918) identified its roots in the Latin word for race-course, and explained curriculum as the course of deeds and experiences through which children became the adults they should be, for success in adult society. In this broader sense, curriculum has been, and needs to be, interpreted to include what might be taking place outside the classroom. Thus curriculum is viewed as a kind of a social engineering arena that encompasses both directed experiences within a teaching institution as well as unplanned and undirected experiences that generate qualities desirable in adult members of society. By analogy, an FLC would need to be recognised as a kind of financial engineering arena that encompassed a course of formative experience that included directed and undirected as well as in-classroom and out-of-classroom experiences that generated qualities required for financial competency. As one FLP commented, "Education itself can be divided up into formal and informal...if a parent guides a child to saving pocket

money...that is FLE but on an informal level and then there is the more formal one, that is running classes...and so forth". Thus the arena of the FLC is much larger than any FLE classroom.

Initial analysis and observation seemed to indicate that an FLC was mainly viewed as a body of knowledge to be transmitted and acquired. Much prior research seemed to confirm this view. One scholarly journal article commenced the abstract with the words "Financial literacy (or knowledge) is..." (Huston, 2010:296). Views about what an effective FLC should consist of seemed to be influenced by perceptions of what constituted FL and FLE. Curriculum design was generally conceived of as including a consideration of aims, intended learning outcomes, syllabus, learning and teaching methods, and assessment⁶¹. The **curriculum aim** was the reason for its existence. The aim of an FLC would be to lead to FL, and having a clear understanding of 'what is FL' was therefore paramount. If FL was viewed as knowledge, an FLC would comprise a body of information leading to knowledge. If, as this thesis submits, FL is actual financial performance, the aim of an effective FLC will be **to promote more effective financial performance**.

"An outcomes-based approach to...curriculum development" has been found to provide "convincing evidence of enhancement to the curriculum" (Ho et al., 2009:1). Many FLPs stated financial independence as a goal for participants, and components that encourage such independence need to be incorporated in FLCs. However, financial independence as such did not seem to be clearly defined. One TT2 said that financial independence was needed before "buying liabilities" and also added: "most of the mortgages are not assets...they are not bringing in income for you" and therefore to be avoided by those who have not yet become "financially independent". He did not seem to recognise that houses purchased with the help of mortgages could be valuable assets in themselves, and many people earned incomes by renting out a part of their homes. Financial independence was put forward as some goal to be reached prior to getting a mortgage, whereas for most people home ownership is a key ingredient for financial independence. Sherraden (1991)

⁶¹ See, for example, the University of Manchester website

<http://www.campus.manchester.ac.uk/tlso/map/teachinglearningassessment/teaching/curriculumdesign/>

and others have found that existing asset-based policies are regressive in that they mostly benefit middle- or higher-income households, and that low-income households have been largely excluded from opportunities to accumulate assets; the less affluent were found to have few structured supports and incentives for asset accumulation. Generally FLPs, with a few exceptions, seemed unwilling to offer support and encouragement for the acquisition of assets that might lead to real financial independence. FLCs need to incorporate components that encourage real financial independence.

Being **aimed at adults**, models of adult learning would need to inform curriculum structures. "Practical curriculum decisions cannot be made in a rational manner without adequate theoretical formulations to illuminate them" (Johnson, 1969:3). FLCs needed to benefit from research-based theoretical models such as the conditions/events of learning (Gagne, 1985, McAlpine, 2004).

FLCs are multidimensional involving **myriad factors and varying combinations**. For example, "an effective curriculum would combine cognitive processes" for mastering financial competencies, "and interpersonal transactions" (Dole, 1975:1) such as those encountered in financial situations. In the survey of FAs many of whom were also FLE providers, components identified were advice, information, debt counselling, management and mediation, and maximising benefits. Problem areas had been identified as pressure to borrow/debt culture, jargon/complexity, misselling and need for numeric skills. FLE providers implied that required components should be such that they prevent indebtedness as well as improved awareness, confidence, understanding and earnings, as well as tackle deprivation, vulnerability and financial exclusion. During observation of FL courses it was noted that participants were given information about matters such as interest rates and credit cards. Key informants indicated a variety of areas including numeracy and knowledge. Some emphasised employment. Prisons viewed FLE as facilitating the movement of the participant "out into work".

FLCs need to contain components that involve **competencies in relation to actual performance** in the financial world. As stated by one TTT (AM): "We're not there to tell people what to do. We need to give people the skills to be able to make those decisions themselves, so they can transfer those skills to make other decisions." The same practitioner also confirmed that practical exercises on present value, interest rate

calculations, etc. were “very important, a 10...because people can be easily bamboozled if they don’t understand.” She also quoted a Chinese proverb: “I hear and I forget, I see and I remember, I do and I understand.”

“The effective curriculum is one which...provides projects, problems and units of experience which possess meaning and structure for the pupil, and...carefully selects and appraises projected pupil activities in terms of their transfer value to life's situations” (Blair, 1948:161). For example, a married woman living with her husband will not have the time or inclination to read a case study about the benefits available to a single mother unless, as has sometimes been observed, a married woman divorces her husband and continues to live with him in order to obtain superior housing benefit. Thus while mastering the intricacies of a purely hypothetical case study might invoke interest in students required to pass examinations it is unlikely to interest adult learners. Adult FL learning is issue-centred, and not subject-centred, because “Adults have their own motivations...They fit learning into their own purposes...People’s purposes for learning are related to their real lives and the practices and roles they engage in outside the classroom” (Tusting and Barton, 2006:1-2).

Some major components that emerged from interviews were budgeting and managing finances: “**day-to-day living**” skills needed to be presented “in contexts that are both real and relevant” (Sagan et al., 2005:3). Emphasis was placed on the need for the FLC to be a “practical activity...relating to peoples lives”. One participant said: “My emphasis is mainly on bringing people to take their own decisions around money”. Coping with daily demands of their finances, day-to-day money management and “money-in-money-out budgeting” were cited as important components.

Day to day living is a matter of a lifetime spread over many years, and has implications for the **time horizon** of an FLC. More attention needs to be paid to the timing and format of education which improve participants’ financial management and behaviours (Han and Sherraden, 2009). To what extent can an FLC offered as a two-day or even a ten-day programme be adequate for the life-course? Should FLCs be offered at periodic intervals rather than as a one-off intervention? There seemed to be a case for more rather than less FLE courses and for follow-on courses tracking the same participants. One TT, for example, felt the CoBAL course was “a bit hurried...people try to squeeze a programme in a very short period and they call it value for money...more input [needed]...think about following

the same group 6 months, 1 year, 2 years from the training, what did they do after that?" If resources were plentiful, drop-in sessions could be arranged whenever needed. Indeed, unlike children within a formal educational system, adults may wish to make use of "provision that can be started and stopped as needed" (England and Chatterjee, 2005:97). But if, as might be the case with most individuals, frequent course attendance is a luxury ill afforded, even a single exposure to an effective FLC should serve as a window of opportunity to learn and internalise action learning and other strategies, such that long after the original action learning set has disbanded, individuals will have learnt how to enlist support and elicit feedback and engage in critical thinking strategies to achieve their ever-changing financial goals over the course of a lifetime.

The "ability to perform arithmetical calculations is a necessary prerequisite for financial literacy" (Schagen and Lines, 1996:39). Research has revealed "low levels of adult **numeracy** in England, with deleterious effects on individuals, the economy and society" (Coben, 2003:7). Some FAs and FLPs perceived FLCs to be numeracy related, while some others held that "numeracy has nothing to do with it". When asked what should be done to enable the course to make a difference, one TTT answered: "it could be shown as embedded course...more to do with financial and literacy areas, not numeracy...because some people hate numeracy...that element [becomes] too much". "There [was] also, unfortunately, a certain acceptability in being 'bad at maths'" (DfEE, 1999:s3.3). "Mathematics anxiety" can lead to a "downward spiral" resulting in "shaken" confidence (Macrae, 2003:101), but that does not mean attempts cannot be made to counter it. FLPs dealing with FLE embedded in numeracy were more comfortable about numeracy. When advised that PV/FV concepts would enable individuals to calculate for themselves how much their monthly loan repayments would amount to, ratings by interviewees rose quite high. "Identifying whether the special offer is really a special offer" was cited as a requirement. An international OECD (2006) study analysing FL surveys in OECD countries found that in Australia, 67% of respondents indicated that they understood the concept of compound interest, yet when they were asked to solve a problem using the concept only 28% had a good level of understanding. Awareness about compound interest seemed even lower among course participants. Interaction with key informants also confirmed the need for numeracy. Numeracy is a contextualised skill that enables the use of "mathematics at a level necessary to function at work and in society in general" (DfEE, 1999:Foreword); there is no essential dichotomy between numeracy and mathematical literacy (Howson, 2002).

Maths “is a complex discipline into which one needs careful guidance”, and it “should constitute a compulsory...element in the curriculum” (Barrow, 1976:129).

IT in general and **Excel spreadsheets** is particular are useful as Excel comprises a series of simple steps that could be mastered by any person who has overcome the mental block to computer usage, and it is accessible to almost all individuals in the country via local libraries. While the majority of FLPs seemed to think their participants would be incapable of mastering it and a small minority doubted their own ability to do so, at least one TT confirmed that she had used it successfully at Level 2 FL courses,

It was evident that the majority of FLPs did not see ‘progression’ in a narrow sense “within the education system as the prime goal of their courses” (Ivanic, 2006:30). ‘Progression’ would involve the achievement of financial aspirations and goals. “The effective curriculum is one which...gears learning activities to the needs and goals of pupils” (Blair, 1948:161), but how might that be possible, considering that the needs and goals of individuals would be widely divergent? An effective curriculum would need to add value, having built-in components that supported participant improvement, and would aim to enable participants from a wide variety of backgrounds and with widely differing personal circumstances to improve their individual financial performance. For example, a student might need to make immediate decisions about student loans, while a pensioner might be faced with similarly urgent decisions in regard to annuities. While neither may have any interest in a curriculum relating to the other, it may well be appropriate for the struggling student to think about pensions and for the pensioner to think of going back to school to learn new skills and re-enter the labour market. Clearly what might be effective would be common attitudinal strategies that might assist in widely divergent circumstances. “Attitude is...important” (Schagen and Lines, 1996:92). **Attitudinal competency** is not new. It has been advocated in many ways down the centuries: from Buddha’s⁶² “what you think, you become” to modern neuro-linguistic programming (NLP) taught by practitioners such as Ian McDermott (2003) and Paul McKenna (2007). Action Learning used in CoBAL is only one such, but it was one which was explored in the course for TTs and found to have wide acceptance as an effective curriculum component.

⁶² c.4th century BC

FLCs need to promote **clear, critical and unbiased thinking** in relation to financial decisions. Information about Sharia and other products should be disseminated only if these are considered to be good value and not for extraneous considerations such as religious persuasion. Reminding Muslims of the requirement to purchase Sharia products may be tantamount to reminding Christians and Jews of the requirement to tithe⁶³. As Barrow (1976:25) argues, "certain aspects of ...culture", whether ours or others', may be "objectionable and ...our curriculum should not reflect them". In an FLC, the focus needs to be on financial factors; it is not the role of FLPs to promote adherence to religious principles, whether ours or others'. It is important for financial educators to be seen as objective (Atchley, 1998). FLPs should only suggest or impart knowledge about financial products that they themselves would be willing to adopt in similar financial circumstances, and not because these are considered to be good for 'others' based on their ethnic or religious grounds. 'Do to others as you would that they should do to you'⁶⁴ would appear to be a sound principle.

Thus critical thinking, that involves higher order cognitive skills, is emphasised as an indispensable component in FLCs. FLCs cannot be limited to a set of pre-prepared answers. FLCs would need to encourage questioning, and not just knowing answers. It needs to incorporate exploratory discourse involving 'dialectic' (Socrates⁶⁵), and the logic of 'inquiry' (Dewey, 1938) rather than didacticism. Criticality would involve search/research skills that enable the evaluation of products and people. For example, when the former chairman of NASDAQ stock exchange⁶⁶ offered to invest money in a fund yielding high

⁶³ Fortunately, FLPs did not seem to be interested in organisations such as Trinity Wealth Management, a Christian independent financial adviser (IFA), that charged about £3,500 plus VAT for a "holistic" financial plan, including an examination of whether the 10% 'tithe' people should give is net or gross of tax

⁶⁴ Matthew vii:12 in the Bible, King James version

⁶⁵ c.469–399BC

⁶⁶ This was Bernard Madoff who succeeded in defrauding even seasoned fund managers such as Nicola Horlick.

returns of around 14% pa “year after year after year”⁶⁷, an investor may have been able to escape loss and demonstrate FL by questioning the ability of any fund to yield returns of around 14% year after year after year. FLCs need to incorporate skills for asking the right type of questions and making the right kind of interpretations. The focus of an effective FLC needs to be “concerned with learners’ reasoning and critical reflection...and how they make critical judgements” (Lester and Costley, 2010:566) in their real life context; the emphasis needs to be on “reflecting on and enquiring into” their financial activities “and on developing people as reflective, self-managing” and “committed to their own development” (ibid:563).

Thought and behaviour strategies such as Action Learning are therefore considered to be a key ingredient of FLCs. Most FLPs and end-users were strongly supportive of the activity and thought that it would be useful. Those who disagreed were few. One TT2 said that they had “found [AL] hard to do” and would have preferred case studies where they could make initial suggestions and the tutor could have added anything they had missed. This approach focused on “answer-getting” rather than reasoning; it emphasised recall of information rather than its application. This approach also viewed individual decision-making as simplistic, particularly when those decisions related to someone else in a case study, and participant/tutor interaction assumed to be able to derive all the answers. It also missed the point that each person had to be willing to confront their own circumstances and identify their own financial goals, rather than look at theoretical financial problems from the comfortable stance of an observer of someone else’s case.

“Few educationists, apart from Plato, have dared to say that preparation for jobs matters” (Barrow, 1976:147); there is a general reluctance among FLPs to talk about the financial independence that might be achieved from employment, but there were a few notable exceptions such as prisons. Low-income households have been found to have high job instability, and unemployment has been found to be a barrier to saving (Marcotte, 1995), underlining the need for FLE to encourage employment. Curriculum time should be devoted towards encouraging people to think about what kind of employment they would be able to

⁶⁷ Prior to learning about the £33 billion swindle, Nicola Horlick had glowingly told the Financial Times: “This guy has managed to return 1 to 1.2 per cent per month, year after year after year.”

undertake and supporting 'into work' interventions that "focus on teaching the most efficient job-search strategies" (Creed et al., 2009:314), particularly as "longer periods of unemployment were connected with higher depression and lower self-esteem" (Galambos et al., 2006).

Almost all data sources seemed to emphasise the vulnerability of participants and the importance of increasing awareness of benefits entitlements. A striking presentation⁶⁸ by an FLE provider at a Westminster briefing showed FLE and related activities which had cost £3.3m to operate had resulted in 'increase in disposable income of £25.9 m which was 8.4 times the return on investment and was 7 times the income generated by the Headingley Ashes Cricket Test Match. When questioned he reiterated what he had stated in his presentation, that the income generated represented 'claiming benefits not claimed before'. Later, a key informant/finance professional said that he had never encountered such a view of return on investment. Most data sources reiterated the view of FLE as educating people to claim more benefits, and a deficit model of the FLE participant as mired in debt, benefits being the most important if not their sole possible source of support. FLCs for financially disadvantaged individuals seemed to be considered as synonymous with learning about the details of benefits available and perpetuating their continued dependency on such benefits. Some FLPs were motivational, and this tribe needs to increase. It has been found that "motivational variables significantly increased [the] ability to explain differences in financial literacy" (Mandell and Klein, 2007:105). FLCs need, above all, to be **motivational and aspirational** in order to be effective.

To sum up, this thesis finds that the learning outcomes of an effective FLC will include

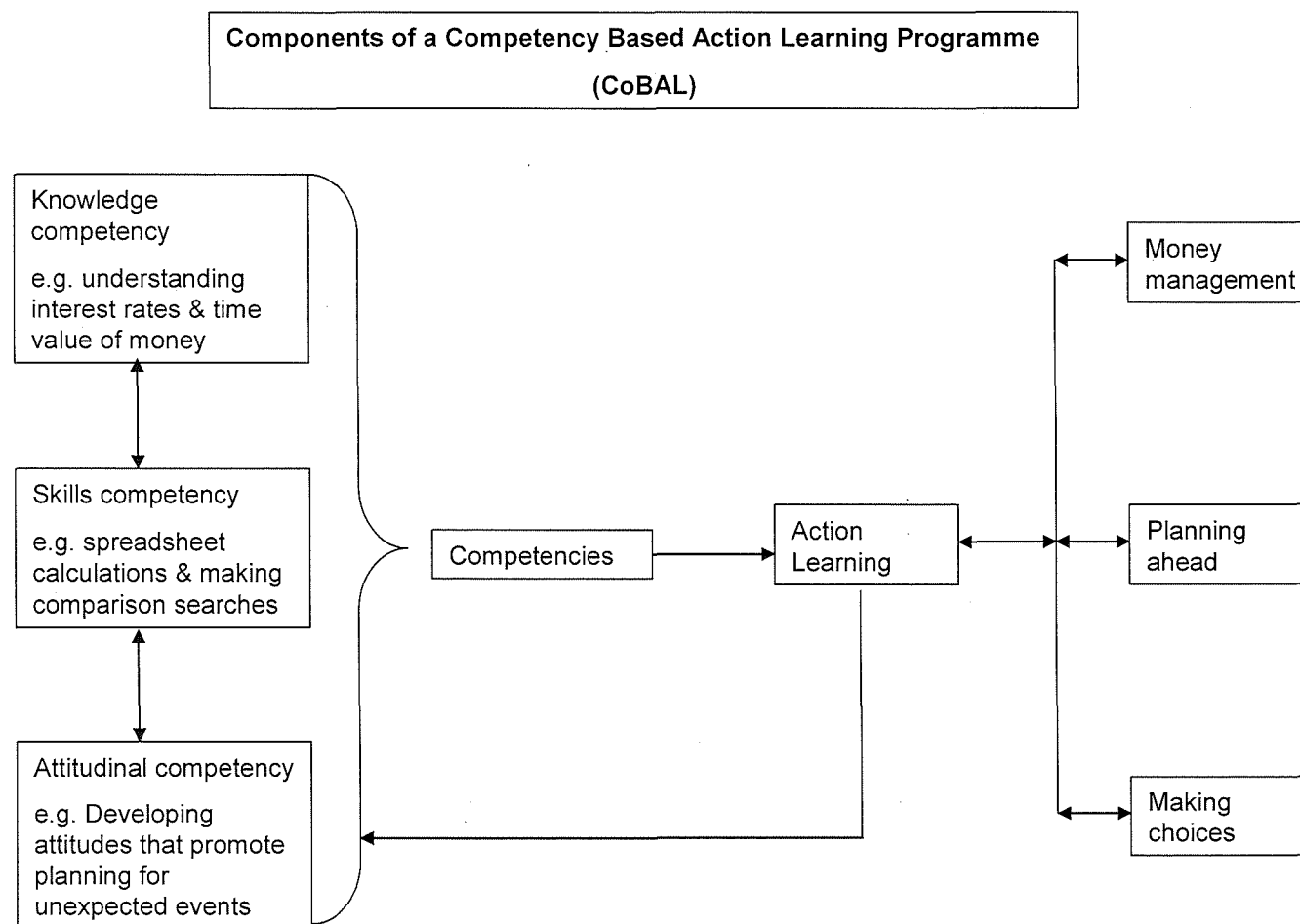
- the achievement of the curriculum aim of financial literacy by the practical application of financial concepts and theory in relation to one's own individual circumstances
- the demonstration of myriad knowledge and skills-based competencies in various domains of FL, such as managing and keeping track of finances, financial planning, making financial choices and staying informed, that deal with the complexities of making financial decisions

⁶⁸ Made by the Leeds Senior Policy and Information Officer, available on the web for participants via a password protected website

-the employment of Action Learning or equivalent strategies for the development of attitudinal competencies and aspirations

'Assessment' in relation to an FLC would take place, not in a classroom situation, but in the real-life arena where financial decisions are actually made and assessed. The CoBAL exploration depicted below is an attempt to synthesise various curriculum components deemed to be effective.

Figure 13: Components of a CoBAL curriculum



The model above indicates the integration of competencies and Action Learning in an iterative manner in the generation of financial experiences, which in turn provide feedback for the further development of competencies and Action Learning. Any interventions are linked to results, and re-examined in the light of further financial experiences.

As a financial educator and researcher, I viewed CoBAL not as the development of a specific and restricted form of curriculum for the classroom, but as a synthesis of curriculum components that might be effective in FLE and as a “coherent strategic framework” (Hodgson and Spours, 2009:4) for lifelong financial learning for further “deliberation and action” (ibid:11). While there may be differing perspectives in relation to the rigour of the curriculum, all the components attempted to be synthesised were based on observation and survey and interview findings. The curriculum components were identified as the research evolved. Practice and research combined in an iterative manner. CoBAL was used heuristically to discover or find what might be the components of an effective FLC, and is put forward as an exercise that might encourage participants to explore new ways of combining curriculum components.

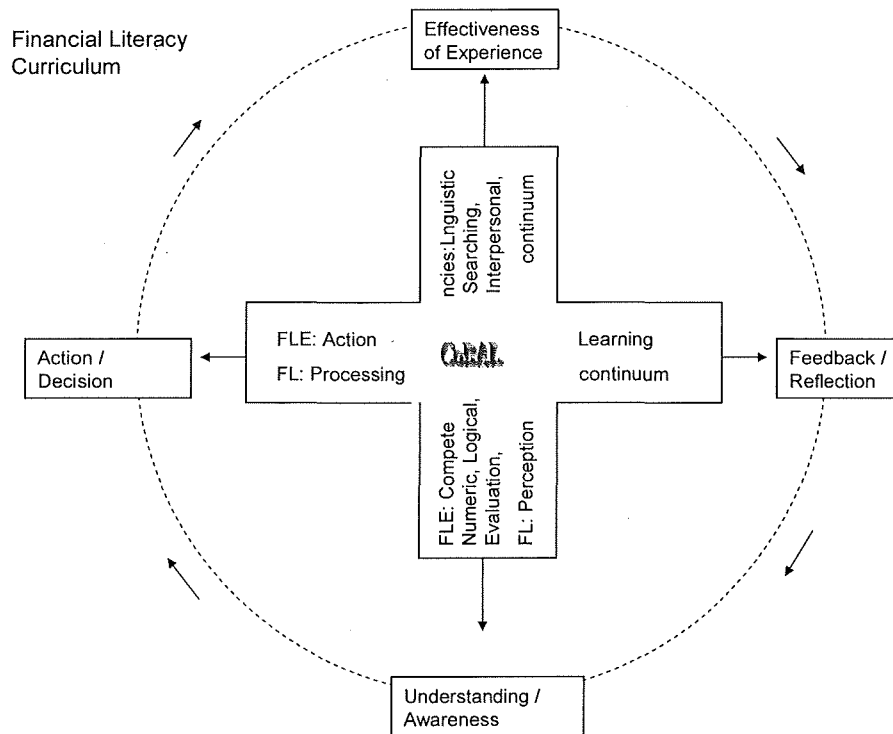
Research question three was: ‘What might be the components of an effective financial literacy curriculum?’ Based on evidence arising, **proposition three of this thesis** is: the components of an effective financial literacy curriculum are multidimensional and comprise a complex set of cognitive and attitudinal competencies that may be linguistic, numeric, searching, interpersonal, experiential, reflective, critical, motivational and aspirational. Assessment will be in the form of real-life financial challenges and learning outcome will be more effective financial experiences or financial literacy.

7.2.4 A model

A key finding of this thesis was that financial ‘illiteracy’ was a multi-dimensional problem, and reflected a complex set of inter-related problems. Financial decisions were made by human beings with complex brain structures and psychological attitudes within a complex set of life circumstances in relation to financial services which were also complex in nature. FLE would therefore be multidimensional and involve the development of a complex set of cognitive and attitudinal competencies. FLE and FLC would need to be designed in such a manner as to lead to FL competencies.

In a broad sense, an effective FL curriculum embraces life itself; it is the course of one's life, the curriculum vitae of financial experiences. This broad arena includes the much narrower one of the classroom where some players might be persuaded to undergo financial learning, one of which might take the form of FLE. In consonance with the pragmatist philosophy adopted for the research, the emergent theoretical model is viewed as a representation of the real world where perceptions and processes intersect and interact with reflections, awareness, decisions and experiences. While making some allowance for fallibility in observations, the theoretical model is held as accounting for the FLC, even while not fitting the details of every observation (Heise, 2000). Accordingly, and incorporating the propositions stated above, I propose the following model of the financial literacy curriculum within the broad interpretation of curriculum as the sum total of an individual's financial experiences.

Figure 14: A model of the financial literacy curriculum components



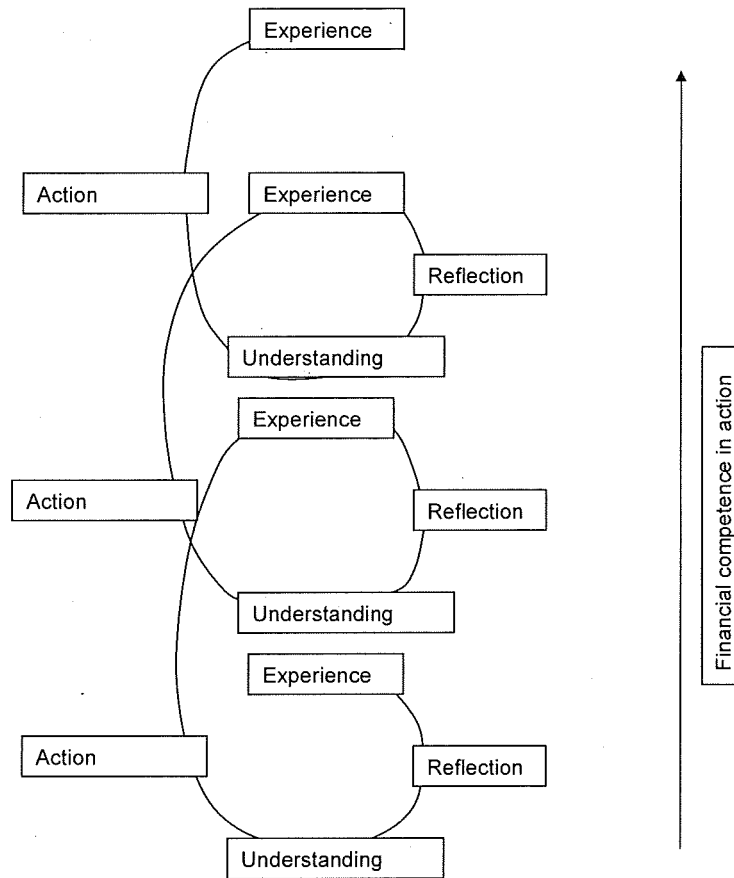
In the proposed model action gives rise to experience; for example a financial decision may lead to wealth creation or wealth depletion. Reflection on what had happened would lead to understanding; for example the choice of a variable rate mortgage over a fixed rate mortgage at a particular point of time, which was followed by a rate cut, would have resulted in wealth accumulation, and also a conceptual understanding about the implications of fixed and variable rates of interest. This would in turn lead to further action, perhaps changing the variable rate to fixed rate in response to a new economic development, leading to a new experience of further wealth accumulation or wealth depletion.

In consonance with my view of FL as a continuum rather than a concrete destination, the east-west axis described as the processing continuum indicates how individual reflection leads to the performance of a financial task and vice versa, and the north-south axis described as the perception continuum indicates how the experience of a financial decision

leads to an individual's understanding of relevant issues and vice versa. While learning takes place in both formal and non formal settings, the central cross is a representation of what might be an effective form of FLE, comprising competencies and Action Learning, and giving rise to the development of an integrated form of FL on both the continuums. FLC is viewed as a kind of financial curriculum vitae that embraces the financial life of an individual including financial experiences, financial decisions, financial awareness and financial understanding. What is described as CoBAL is not to be restricted to the limited version of the specific components offered during a two-day course, but viewed as a synthesis of curriculum components that include financial competencies and experiential learning.

More appropriately, the representation should be a spiral rather than a simple circle. A circle might indicate a series of experiences from which an individual has learnt little. There may be situations where individuals may not learn from an experience, may not reflect, may not conceptualise, may not assimilate the lessons of past action into future behaviour. Nevertheless, and in a more optimistic scenario, individuals can and do learn, and financial competency may increase through practice, and hopefully this should result in an upward spiral of understanding and financial performance levels thus.

Figure 15: Progression in financial literacy

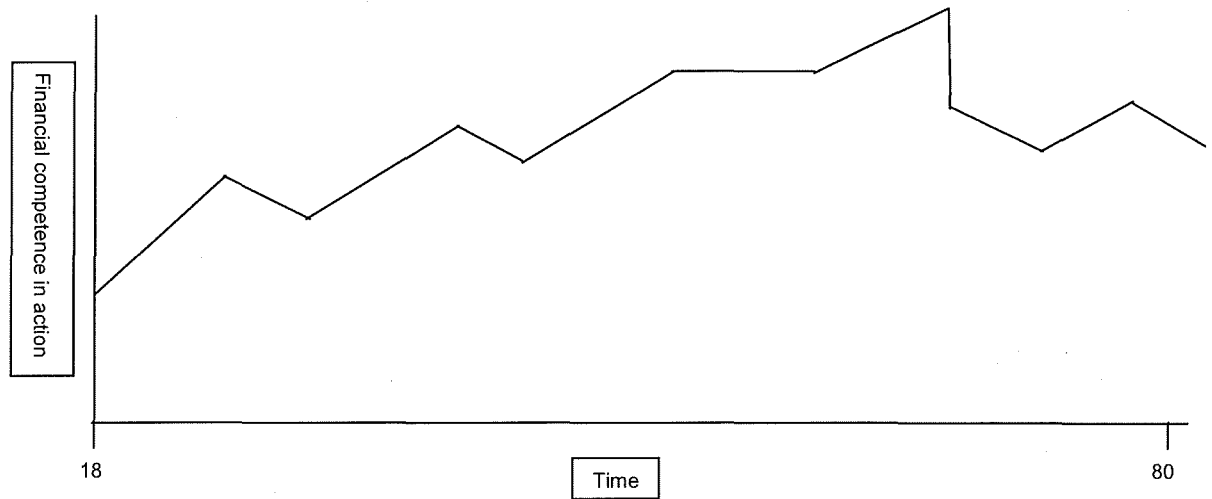


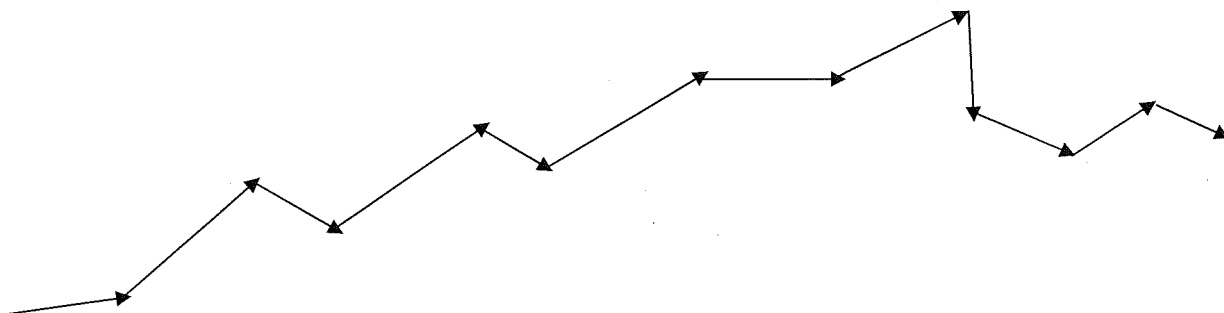
I leave it to the imagination of the reader to visualise CoBAL components within the spiral, as it is virtually impossible to represent the full complexity of the human experience within any single diagram. In this figure, financial competence in action is represented as a stable line rising upwards, as if competency always moves only in one direction. The reader is requested to juxtapose and integrate the FLC and FL development diagrams above, and to visualise the spiral as moving upward or downward or sideways depending on individual action as well as circumstances beyond the control of the individual.

Reality could take several shapes and directions. The following diagram might represent an average individual, who learns as he/she experiences, sometimes accumulating wealth and

sometimes depleting wealth, and finally approaching a decline in faculties that might render a once literate individual less capable of administering his or her affairs.

Figure 16: The varying course of financial literacy





The current association of FL needs with the vulnerable and lower strata of society does not contribute to its understanding. While it is appropriate that the government should be concerned more with these strata of society and attempt to be seen as doing something to remedy existing undesirable situations and vulnerability levels, it is important to recognise FL as applicable to every individual and capable of varying for the same individual at different points of time. While ideally one would wish FL levels to be continuously growing, we frequently witness striking examples of once wealthy individuals brought low over time. Irish tycoon Rocca, for example, who had a fortune £462.9m in 2007 and had lent Bill Clinton his helicopter when he was in Ireland for a round of golf, shot himself in 2009 when he faced financial ruin from investment losses; to kill oneself for financial ruin would seem to be the bottom-end of the FL continuum. A more 'vulnerable' individual who continues to live and cope would record a much higher level of financial literacy.

A crucial difference between the proposed model and that of current approaches to FLE and FLC is the conceptualisation of adult FL as the outcome of adult learning processes and not learning processes that have been developed in the context of children learning within a formal educational system. One TT preferred working with children as "every adult has already formed an attitude and lifestyle and it is very difficult [to change that]"; this TT had recognised that children were tutor-led, unlike adults. Adult learning includes self-directed learning and informal learning as well as reflective and experiential learning (Tusting and Barton, 2006). Adults have acquired varied experiences and their learning is problem-centred rather than subject-centred (Knowles, 1973, Knowles et al., 1998). FLE, like much of publicly funded courses in basic skills and ESOL offered in the UK workplace, is "at odds with the needs of mature, self-aware learners" (Wolf, 2008:1). Viewing adult learning as a

kind of learning undertaken by children in schools distorts the reality of the human adult experience, and leads to inappropriate learning interventions for adults.

As the proposed model viewed adult learning as a form of experiential learning in the financial world and not restricted to classroom-based learning, its depiction in Figures 15 and 16 inevitably bore some resemblance to some of the concepts developed by Kolb (1984) and represented by Chapman (2006) and Henton (1996) in connection with experiential learning. Like Kolb (1984), I found learning to be a cycle that included experiencing and reflecting. Concrete experiences lead to reflective observations. These reflections are then assimilated and understood with implications for further action/decision-making, which in turn leads to the creation of new experiences. However, my model viewed 'experience' in a completely different light from that depicted by Kolb. Unlike Kolb, I did not interpret experience as feeling. Further, I disagreed with Kolb's view that we decide to either think or feel. In my view, and as supported by many cognitive behavioural psychologists today, feeling or emotion followed thought and facilitated decision-making. Thus if I thought that I should repay my loan, and the thought made me feel good, I would endeavour to proceed towards the goal of loan repayment. In my model, the word 'experience' is used, not as synonymous with 'feeling', but in the sense of *effectiveness of the action that has taken place/been experienced*. Thus, if I have taken action to repay my loan, that may have resulted in a number of outcomes such as an effective use of current resources, a better credit rating, availability of future credit at lower prices, and better potential for wealth maximisation, all of which may measure the effectiveness of my financial decision. Unlike Kolb who was concerned with learning styles, my model was concerned with the components of an effective learning curriculum.

Explanations attempted were nomothetic rather than idiographic. While it was necessary to find a balance between generalisability and contextualization, and I accepted the importance of individual context and idiosyncratic causes, I agreed with Suedfeld and Bluck (1996:781) that "overestimating their role is dangerous. The extreme contextualist position makes all generalization impossible and replaces scientific investigation with biography or even autobiography", and "opens the door for severe researcher bias effects".

Some like Street (2005b) have viewed literacy as a social practice that varied across diverse educational contexts, and proposed that a universal model could not easily

accommodate individual 'selves' in the classroom. However, this approach could lead to the "danger of simply piling up more descriptions of local literacies without addressing general questions of both theory and practice" (Street, 2003:80, Collins and Blot, 2002). I concluded, with reference to data and evidence emerging through my grounded approach, that it was both desirable and possible to develop a framework of common principles and competencies that could aid understanding of the factors involved in developing an effective FLC. There was a need to develop theoretical and conceptual frameworks that were informed by the research data and that could illuminate the factors that were important in literacy teaching and learning (Evans, 2006). While any model is likely to be "an inadequate representation of reality" (Smith, 1995:145), the proposed model is put forward "as being useful in generating...action" by guiding the thinking process "through cognitively meeting the complex environmental challenges in dynamic" (Vanharanta and Easton, 2010:425) financial circumstances.

The concept of theory has a range of connotations. It can range from personal insights developed by individual reflection to a highly systematised set of empirically tested principles with predictive capability. Theory as I conceived it was somewhere in between the two extremes: it was a combination of personal intuition based on many years of experience with empirical evidence, and it emerged, not as a "theoretical theory", but as a "program of perception and of action" (Bourdieu, 1989:50). In the Bourdieuan sense, the "theory is one of practice and for practice...Practice and theorizing are not regarded as separate activities, displaced in time and place during the research process, but mutually generative of the ways and means of collecting data, analysing it and developing explanations which lead to an understanding of the object being investigated" (Grenfell and James, 1998:155). The emergent theory facilitates an understanding of FL, FLE and FLC; it is both *of* and *for* practice in the financial world. "It is not theory for its own sake in some idealistic, platonic realm, but is intricately linked to practical activity" (ibid:6).

7.3 Limitations

"All evaluation can be shown to be of intrinsically limited reliability", and evaluators may need to accept that there can be no 'objectivity', only various degrees of subjectivity (Adelman and Alexander, 1988:300). The critique of FLE as it was currently on offer as well as related research conclusions were characterised by various degrees of subjectivity, and needs to be thought of as "a point of view rather than a statement of absolute truth" (Owen

and Rogers, 1999:306). As advised by Seidman (2006), I followed my 'hunches' and trusted my 'instincts', but this also meant that the research was "subject to a series of linked decisions" and therefore not "totally objective" (Owen and Rogers, 1999:306). "The problems range from conceptual and practical to measuremental and statistical...depending on the intrinsic uncertainties, context, analyst and audience" (Anderson, 2000:261). "Policy relevance is very much in the eye of the beholder", and the inferential procedures that led to "some of the interim findings" need to be tested by "further self-critical research" (ibid:265-266).

The study was conducted over a nine-year period from 2001 to 2010, producing different snapshots of FL and FLE during that particular period. It is possible that the provision of FLE may have differed depending on the period/year. Furthermore, the views of various stakeholders may have changed over time in response to changing social and economic conditions in the region being studied. In the beginning of the research period, the term FL was just being articulated; during a major part of the period the overwhelming concern was that individuals were borrowing and spending too much; towards the end of the period, the concern for many policymakers seemed to be about individuals not spending enough and slowing down the economy in the process. Changes in attitudes and perceptions may not have remained constant during the research period, rendering interpretation of research findings difficult.

The research was carried out with limited resources. I was the sole researcher. My employer kindly paid the fees for the research degree programme and also met travel expenses to attend the first FL programme that was observed. All other expenses including travel costs to other course locations and telephone costs were met by me. Thus both human and financial resources were limited and were constraining factors. Larger sample sizes may have increased the generalisability of findings. The selection of FLPs and other individuals in the study produced convenience samples that may be biased in ways that were not known when the selection was made. Despite best efforts, bias may have arisen during observation, interview and other research processes.

The data collected in the form of surveys and interviews were of a self-report nature, and taking into consideration the subject areas being queried, may be prone to inaccuracy as a result of imperfect recall, lack of information, or discomfort with self-disclosure.

The data collected related to FLE as offered in a variety of contexts to a variety of participants. Was a course aimed at participants between 16 and 26 years of age dealing with FL at school level or adult level? To what extent were one FLP's views on dealing with 16-year-olds relevant to this research which aimed to focus on adult FL? Later on in the same interview the respondent referred to her own disabled 16-year old son who was bombarded by junkmail; had she been thinking of her own son (and not the participants) when she talked about the transition of a 16-year old from school to the business world? If so, would that necessarily devalue her opinions? The courses observed and the participants interviewed may not have been representative of the diverse range of the population. The more varied the subject being researched, the more challenging the research process was likely to be.

The greatest limitations for the research arose from human nature, the nature of FL and FLE, and the nature of the financial world. The attempt to develop FL assumes that human beings are rational and driven by logical behaviour. However, there is much evidence to support the view that human beings are not always rational (Levy et al., 2000, Charitou et al., 2005); indeed, it seems to be irrational to assume constant rationality. When faced with financial decisions, human behaviour can be surprisingly irrational. The herd instinct, for example, has been credited with the human tendency to foster financial bubbles and crashes. Working within groups would have given primitive men and women strength in numbers to withstand predatory animals. Many would rather be wrong within a group that is wrong rather than be right and differ from group thinking. At best, decisions are likely to be based 'on subjective grounds' or 'subjective rationality' (Goldthorpe, 2007, 1998), in an imperfect world of incomplete information, where no one can have access to the 'totality' of knowledge and information dispersed throughout the economy (Hayek, 1945).

Education in general can be viewed as a screening device used by employers to ascertain the productivity of potential employees (Stiglitz, 1975). For example, an individual who has obtained a degree may be evaluated as more productive and offered higher wages by the employer. FLE on the other hand does not necessarily endow the learner with specific labels. The purpose of FLE is not to provide an externally recognised label, but to provide the internal capability of making better financial decisions. In this sense FLE is not a screening device but a developmental device purporting to lead to the development of

financial ability. Stiglitz (1975:290) refers to the problem of the “unobtainability of ‘ability’ insurance, presumably largely because of difficulties with moral hazard”. If there were to be some insurance that protects consumers against decisions made due to financial incapability, the incapable would be on par with the capable and there would be no need for FLE. However, the availability of such an insurance would serve as a disincentive for developing capability and as an incentive for reckless behaviour and would soon put the insurer out of business. Therefore the benefits and costs of having or not having this ability will have to be met by the individual, and these are difficult to evaluate. Education that involves the development of financial capability leading to financial competency is thus infinitely more difficult to evaluate than education that might involve examinations leading to the award of degrees and diplomas.

While the approach of this thesis has been to identify common and unifying themes rather than looking for differences in individual contexts, there is a problem of appropriability associated with FL and FLE. Financial skills are so much a part of the individual context that they cannot be easily (if at all) extracted and replanted elsewhere in a meaningful way; they have ‘weak appropriability’ and are not readily reproducible. “Because of this problem of appropriability in a market context, too few resources are likely to be allocated to obtaining ‘information’” (Stiglitz, 1975:283) and developing financial skills.

Whether or not engaging financial advisers or personally undertaking searches of financial information, the individual would need to incur costs in the form of time and money in order to make effective financial decisions. Individuals differ in their ability and willingness to make decisions. On one end of the spectrum would be financially sophisticated consumers who painstakingly gather information necessary to make wise decisions. On the other end of the spectrum would be the financially naïve consumers who are less rational and calculating in their decisions (Ashton and Hudson, 2008). As pointed out by Salop and Stiglitz (1977) in a market economy such as the UK, this heterogeneity will generate monopolistic competition and price dispersion with bargains and rip-offs: the sophisticated will be able to bargain-hunt and obtain better prices, while the naïve will be subject to the rip-offs. The gain of the sophisticated will be at the expense of the naïve. In other words, the market reaches equilibrium pricing on the basis of the naïve subsidising the sophisticated. The best intentions of a regulator intent on providing financial education cannot, in a market economy, override either the intentions of the financial provider who is able to maximise

profits by capturing business from the financially sophisticated by ripping off the financially naïve, or the intentions of the financially sophisticated who are able to obtain their rewards for the additional costs invested by them.

The financial world as we know it is imperfect with imperfect competition and imperfect markets. A key feature of the imperfect world is asymmetry of information: two parties to a transaction have different levels of information. The seller is likely to know more about the product than the buyer, and thus in a better position to take advantage of transactions. To problems of information asymmetry, social inequality and 'illiteracy' there may be no definitive answers, but this itself could be an important conclusion.

CHAPTER 8 SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

I am thrilled to be alive at a time when humanity is pushing at the limits of understanding.

Even better we may eventually discover that there are no limits.

-Richard Dawkins

8.1 Summary of conclusions

8.1.1 Financial literacy education can and ought to be useful

The conclusions presented in this thesis are derived from the observation that much of what passes as FLE is not useful; that FLE can and ought to be useful; and therefore something different must be done to make such education useful. This thesis attempts to suggest what could be done differently. Drawing attention to relevant areas of concern is considered to be an important part of this research exercise. The investigation into FL and FLE revealed several inter-connected issues that need to be addressed.

8.2 Recommendations

The following recommendations are designed to enhance FL, FLE and FLCs and are primarily addressed to policymakers, providers and regulators of FLE and to policymakers, providers and regulators of financial services. These recommendations have implications for consumers of financial services and consumers of financial education.

First and foremost, there needs to be a greater understanding of what FL is and what FLE is prior to developing interventions purporting to improve FL.

8.2.1 Recommendations for policymakers, providers and regulators of financial literacy education

8.2.1.1 Financial Literacy

FL is currently based on simplistic assumptions. The one most frequently encountered was that people became trapped in debt because they did not know how to budget, and that if they knew how to add up income and expenditure accurately, they would be able to avoid debt. This needs to change, and the complexity of the real financial world acknowledged.

FL is more complex than it is made out to be. The current assumption, that everyone can become financially literate given a certain amount of basic financial information is flawed. In the real world information can be misrepresented, misunderstood, unknown and obscure, the human brain function variable, and human experience random and unpredictable.

FL was often talked about as a desirable state to achieve and reside in. Thus one was deemed to be either financially literate or financially illiterate. Initiatives for developing FL seemed to generally adopt an 'illiteracy-as-a-disease' analogy, and assumed a strict dichotomy between literacy and illiteracy rather than view FL as a continuum, where it would be possible to progress as well as regress. Such a dichotomous perspective could lead to the oversimplified premise that once basic skills were achieved, the disease was cured and the job was done (Durgunolu et al., 2003).

There is need for recognition that FL is dynamic and complex; it is more than 'literacy' in the traditional sense; it is more than the possession of competence or capability; it is competency or the demonstration of capability in terms of actual performance in the financial world.

8.2.1.2 Financial literacy education

FLE straddles interdisciplinary subject areas that include hard sciences such as mathematics on one end of the spectrum and soft skills such as interpersonal skills on the other. In order for adults to derive benefits of learning from FLE, a better understanding of FLE is necessary. There is a need to look beyond old understandings and prior preconceptions in order to investigate the possibility of developing more effective forms of FLE.

Inappropriate facilitation can hinder, rather than help learning. It was found that participants were given inappropriate, irrelevant or inaccurate information. Financial 'illiteracy' may originate from a complex set of circumstances, and it is sometimes amplified and propagated by some of the very FLE interventions that are aimed to reduce it. To counter this, the authorities should give greater weight to the multidimensional nature of FL in their educational and funding policies. The FSA should strengthen the framework to deal with imbalances and misalignments found in current FLE interventions.

Some interventions seemed to be pointless. For example, the AFCaF was being treated as something to be mastered in itself rather than a framework to indicate broad areas that needed to be covered. Why should individuals become “familiar with referencing and layout”? The time spent by participants trying to “match AFCaF reference numbers” could be more fruitfully allocated to investigating the nature of areas covered by the numbers.

Workshops were viewed by many as “providing little new information” (Scanlon et al., 2009:686); this finding by University of Kansas School of Social Welfare about financial education courses in the USA seemed to be equally applicable to England. FLE is more than providing information; it involves the development of knowledge, skills and attitudinal competencies. FLE arrangements need to be reviewed and made more credible. There needs to be a greater focus on the quality of the programmes and not just on the quantity of money spent and programmes set up.

A systematic evaluation of FLE courses could incentivise practitioners to adopt improved methods, discourage ineffective practices and encourage the survival of effective FLE interventions. More effective course feedback systems need to be put in place. Merely obtaining end-of-course feedback forms does not appear to have much impact on a form of intervention that needs to be tested for effectiveness in real-life situations. Resources being scarce, these are largely channelled towards implementation of programmes rather than their evaluation; however, the absence of adequate evaluation systems could result in the continued implementation of programmes that do not serve the purpose they are intended for.

While local interventions promote a sense of community and encourage local talent, there seems to be a case for making FLE more global, e.g. installing a single helpline that individuals could access in order to know about the gamut of FLE interventions available throughout the country. A voucher system that enables individuals to seek out the best interventions on offer is more likely to improve the rigour and usefulness of educational programmes than the current system where individuals are limited by virtue of their respective locations to make use of local interventions. There is a case for centralising the monitoring and availability of these interventions. While LAs could continue to support local interventions, consumers need to be able to go elsewhere if they so wished.

There is a need to re-examine the structure of FLE provision and the adequacy of arrangements for the provision. New mechanisms are necessary for the development of FLE and for the implementation of FLE programmes. Funding arrangements for FLE need to be refined. There is a need for greater 'synchronisation' (Oates, 2007) between various funding, providing and other organisations in evaluation, policy formulation and implementation.

Government agencies and sponsors should take care to ensure that their publications and materials bear the date of publication⁶⁹. This will facilitate the detection of ill-prepared, out-of-date material, and also aid in the subsequent updating process.

FLE material generally contained information that could be handed out and taken away and assumed to have been understood and accepted. Materials need to contain questions that stimulate independent thinking and encourage further questioning and further investigation. FSA's 'Learn Online' (now 'Moneymadeclear') site did not appear to be popular with FLPs. The site encouraged people to articulate their own answers to questions, and this would entail a degree of effort and commitment. There is a case for actively popularising this site and using it within classroom situations.

There seemed to be a disconnect between what was happening and what was expected to happen. The 'guide to delivering financial literacy' whose launch I had attended in the FSA premises, indicated "daily and monthly calculated interest rates, compound interest" as things to ask participants "to look out for". However, when I observed FLPs in courses, there was no awareness of the formulae that could be used for making these calculations. FLPs' financial knowledge and understanding seemed to be weak and very basic. Some seemed to think that knowing how to calculate interest "wasn't relevant enough"

⁶⁹ I submitted this via the web as a proposal to be voted on at the 'Westminster Briefing' held on 24/3/2010, but the organisers did not choose to upload the motion to enable voting to take place. Instead, they uploaded a watered down version that did not require banks to do anything specific.

Currently much FLE is not perceived to be challenging or interesting enough to participate in unless some incentive was provided. I also observed that the number of participants in one such programme rapidly dwindled over succeeding sessions. When asked what would make FLE more interesting, one TT responded: "That's a \$1000 question. If I could answer that one, I'd have people queuing at the door for my courses, but I haven't". Another said that they gave vouchers for those who participated. A key informant said participants were unwilling to attend FLE programmes without incentives. This needs to change. FLE that is designed to be more useful is likely to attract more interest.

FL varies over time. As observed by a TT, in FLE we "probably have a long way to go... This is an area that needs to be supported well and probably more than what the FSA is doing at the moment". The FSA would need to commit to continuing support and lead the process of the development of FLE over time. Progress has to be measurable. Performance indicators need to be developed and disseminated.

The 'deficit' model conceptualises problems as within the participant, and little time is spent analysing the learning environment including the competence of the facilitator. The 'deficit' approach is currently the predominant approach to intervention in FLE settings, and this needs to change. Financial literacy development "should not become identified with the 'deficit' approaches with which 'basic skills' policies have become associated" (Evans, 2001). Participants may be better served when interventions are conceptualised within ecological perspectives that consider the participant, as well as the systems within which he or she interacts (D'Amato et al., 2005, Weaver-Hightower, 2008, Hodgson and Spours, 2009).

FLE needs to be more aspirational; it needs to build participants' self-belief and fire-up their enthusiasm to improve their lot, particularly to enter or re-enter the world of work.

It is known that people sometimes shout at someone who speaks a different language or is disadvantaged in some way, such as blindness, from communicating effectively. One website, for example, has this advice about how to communicate with disabled people: "Do not shout at a person who is blind or visually impaired – he/she can hear you!" (UCP,

2009)⁷⁰. There seemed to be an analogy in FLE; practitioners assumed the participant's level of FL was low because they spoke some other language or were vulnerable in some other way, such as raising children without the support of a father. There is a need to identify and distinguish FL needs from other needs, which may or may not contribute to financial vulnerability. Failure to do so will result in inappropriate and wasteful interventions.

"Few interventions are rolled out in ways which permit rigorous evaluation: often they lack clear or measurable goals, baseline information, cost/benefit data..." These words by Professor McIntyre (2009)⁷¹ about government projects to reduce the health inequality gap may be equally applicable to FLE programmes funded by the government to reduce the FL inequality gap. The newspaper article reporting the finding was titled 'Ministers have wasted public money in their attempts to tackle health inequalities...' (Triggle, 2009); similarly, this work may well lead to the conclusion that 'Ministers have wasted public money in their attempts to tackle FL inequalities'. The "mismatch between the aspirations of ordinary people and policies designed to help them fulfil their aspirations" (Evans, 2009:xii) needs to be addressed.

8.2.1.3 Financial literacy curriculum components

Many tutors viewed FLC as consisting of "information" on financial matters; there is a need to recognise that it is much more. FLCs need to be more effective, incorporating the development of a number of competencies including cognitive, numeric, attitudinal and behavioural competencies, with a view to improving the effectiveness and efficiency of FLE interventions. There is a need to avoid oversimplification and to recognise the complex and multidimensional nature of FL and FLE and FLCs.

FL course material needs to be subject to more rigorous scrutiny prior to acceptance and use. Scant attention had been paid to quality checking of material being offered to participants. A lot of material appeared to be more suited to children learning how to prepare shopping lists and add up expenses, and too simplistic to be of much practical use

⁷⁰ See http://www.ucp.org/ucp_channel.doc.cfm/1/13/12632/12632-12632/6187 (accessed 5 August 2010)

⁷¹ Director of the Medical Research Council Social and Public Health Sciences Unit reporting to the House of Commons' Health Committee

to an adult wishing to improve FL. For example, display of “colossal”⁷² versions of cards already familiar to participants did not serve any useful purpose. Educational programmes need to focus on “areas where deficiencies exist” (Volpe et al., 2006). Prepared FLE material needs to be questioned and rethought rather than blindly accepted and perpetuated.

There needs to be greater transparency in regard to the availability and content of FLE material, particularly when the production of the material has received public funding. A readily accessible web-based database would extend the availability of funded material and reduce duplication of effort.

The notion that participants are the best people to decide what they want from a course needs to be challenged. Like Barrow (1976:115), I “reject the view that nothing should be done unless [the individual] expresses an interest in it”. A participant who is not aware at all about how the effective rate of interest can be affected by the periodicity of compounding or method of interest application may not feel the need for this knowledge, but once understood is likely to appreciate the new insights obtained. One strong critic of CoBAL for example said “Basically, you needed to find out what we wanted and you didn’t. You just gave us something that you decided in advance that we needed.” The criticism was just, as I did indeed feel that it was imperative that people understood how compound interest rates were calculated, whether or not that need was actually recognised.

Many FLPs seemed to indicate that the needs of a particular group of participants would have to determine the knowledge/skills curriculum, and that generic case studies would need to be examined rather than participants’ own situations. The opposite needed to happen. Participants needed to be given knowledge and skills that were fundamental requirements for making informed decisions even if they were not aware of that need, and they should be urged to look into their own circumstances and formulate financial goals for the intervention to have any meaningful impact. While there can be no objection to case studies per se, “clearly, results from a case study have limited generalisability” (Baolu et al.,

⁷² These ‘Colossal Cards’ seemed to be staple fare for a number of FL courses.

2004:367), and cannot be a substitute to individual goal-setting as many FLPs seemed to think.

There is a need to recognise the differences between adult learning and children learning within an educational system and for greater awareness of the difficulty as well as the importance of developing attitudinal competency among adults.

Many sentiments and views sounded good, even impressive in broad terms. For example, financial capability was defined by a TTT as knowing “how the world of money works.” Expressed thus, the concept sounds perfectly acceptable, but there is a need to go further into the nitty-gritty and devote more attention to examining what curriculum inputs would enable someone to know how the world of money works. “As with any generalisation derived from ‘best practice’, details matter” (Gershberg et al., 2009:187). Attempts to introduce more details relating to actual performance in the financial world may find less wide acceptance and be more open to debate, but this should not stand in the way of attempting to get to grips with the nitty-gritty of financial issues.

There was a view among some FLPs that FL had nothing to do with maths. One TTT also specifically confirmed, what I had myself noted as an observer, that the course for TTTs “didn’t go into the maths of it...there wasn’t any mathematics teaching on the course at all”. A basic knowledge of arithmetic is vital for FL, but it appeared that neither courses for trainers of trainers nor end-users had much inputs of the needed numeracy, though FL embedded in numeracy seemed to be an exception. Another FLP said that it was “not very important” to include practical exercises on interest rates calculations in FLE “because that’s more of a numeracy issue”. He went on to say “I don’t think many people can understand APR, and I don’t think they need to...a small number of people might be interested in the actual numeracy aspects of it.” This perception needs to undergo a change and the need for numeracy recognised. It has been found that “those who can least afford it are in danger of choosing a deal other than the cheapest. There is therefore a need for learning about making calculations related to finance” (Schagen and Lines, 1996:81).

In general, US and Australian publications seemed to lay greater emphasis on essential practical skills such as the ability to calculate compound interest, while this seemed to be ignored as beyond the scope of ordinary individuals in the UK. For example, the only

reference to compound interest in the FSA's AFCF (2003:41) was a rather simplistic and confusing description in the glossary: "Interest rates are usually compounded - so the amount paid on savings is based on the capital plus the interest paid so far provided you have not taken anything out of the account. This also works for loans – so the amount you owe can increase dramatically over quite a small time". While the Australian ANZ survey (2008:194) incorporated the "ability to understand compound interest" as an "essential" skill/competence, there did not seem to be any mention at all of compound interest in the FSA's financial literacy baseline survey publications. It should be noted that compound interest is covered within the GCSE maths curriculum, and constitutes a minimum requirement for the understanding of interest rates.

A greater number of and more comprehensive publications on 'Personal Financial Literacy' (Ryan, 2011, Madura et al., 2010, Ryan, 2007) seemed to be available in the USA than in the UK. There is a need for similar publications to be set within the UK context.

Practitioners tended to be focused on simple budgeting and debt to the detriment of other areas of FL such as pensions and planning for the future, reinforcing any notions their participants might have that the future was a long way off and did not need immediate attention. Many FLPs seemed to focus a lot on day-to-day living, without devoting adequate thought about the longer term future, whether it be the next month or next year. One TT2 explained why she considered pensions as not important: "but again...keeping it all down to the level of students that I'm actually dealing with... they don't always see that far into the future".

FLCs need to place greater emphasis on planning for the future. If participants appear to be trapped in a situation where they are unable to live within their means today, it does not mean FLE should direct their focus solely on fire fighting for today. It has been found that employer-based "financial education significantly stimulates retirement saving among low and moderate savers" (Bernheim and Garrett, 2003:1489) and there is no reason why non-employer-based financial education cannot stimulate efforts to plan for the future and for retirement.

AL was strongly supported by almost all FLPs and end-users. However, this type of activity did not seem to be happening in FL courses. The value of using cooperative small group work and AL for confronting real problems and situations needs to be recognised.

There was little evidence that any of the FLCs being developed were informed by scholarship and academic theory. FLCs need to benefit more from theoretical perspectives available from existing research in relevant areas. Relevant models need to be incorporated in FLE in order to enhance its effectiveness.

There is scope for greater use of IT in programmes designed to develop FL. The use of spreadsheets and the internet needs to be encouraged. Local libraries with computers may be considered as possible venues for holding FL classes.

Much of FLE seemed focused on bringing home to 'errant' individuals who had got into debt the undesirability of their tendency to get into debt. There did not seem to be much effort to investigate reasons for such behaviour beyond assuming an inability to list and add up items of income and expenditure. It was encouraging to note that at least one TT who had undergone CoBAL was able to recall, during the interview, the class discussion on the role of depression in binge shopping, and the ability of an anti-depressant drug to stop the urge to shop. There is a need to probe for reasons for unhelpful behaviour as well as investigate ways of changing unhealthy behaviour patterns.

Emphasis on utilising allocated funds/budgets within deadlines meant that courses went ahead regardless of the comprehensibility of their content to participants without adequate command over English. Efforts should be taken to ensure that participants understand the language in which courses are offered. Alternatively, translators could be used to facilitate understanding.

Many definitions and opinions stated by participants and policy makers sounded excellent in principle, but couched in such general terms as not to be of much intrinsic value. When a TT says that FL is "the ability of an individual to be able to manage his/her finances, and be able to understand financial products available on the market, and will be able to make informed decisions", he is happy and his funders are happy and anyone listening to his definition is also likely to be happy. However, the nitty-gritty of this definition needs to be

examined and this is not always happening. For example, in order to “understand” a financial product such as a loan, does the rate of interest need to be understood? If so, is it necessary for the participant to be able to calculate the effective rates of interest in order to be able to compare them? Or is it adequate to delegate the task to an Independent Financial Adviser (IFA) or debt adviser? If so, how can the suitability of the adviser be assessed? When Leeds and Holbeck Building Society (L&H) advertises a loan rate as 4% and Virgin One Account advertises it as 5%, most if not all FLPs and even FAs may recommend that the former is the better deal. However, if L&H calculates interest upfront on an add-on basis, and Virgin calculates interest on a daily basis, the effective rate of interest in the case of the former will actually work out to 7% but the latter would continue to be 5%, in which case the latter is actually the vastly superior deal. As long as FLPs are unaware and unable to grasp such issues, FLE will continue to offer what I might call ‘outsights’ rather than insights.

There were attempts to develop programmes geared towards the needs of different client groups: one FLP working with “younger children” talked about piggy banks, while the debt adviser talked about benefits entitlements. However, it was observed that the same FLP who worked with different client groups did not vary the offering, and produced the same material, changing only the name of the course. This did not surprise me, as I had seen it happening in the case of infinitely better paid lecturers in university and other settings. Further, different FLPs working with different client groups seemed to focus mostly on adding up income and expenditure, something that might be suitable for younger children just learning to handle money, and may not be adequate for older people who have got into debt. While the former group may benefit by being taught how to add income and expenditure and arrive at the net position, the latter group may be in need of behavioural/psychological interventions. The claim by many that programmes were tailor-made did not appear to be substantiated. There was “disconnect between what participants say they do and what they actually do” (Dvorak and Hanley, 2010:3)

There seems to be a case for one-to-one interventions in FLE. One-to-one interventions are already happening in the case of debt or money advice, and in some organisations such as CABs and CUs advice and education seem to be intertwined. Research has recorded the efficacy of such interventions; for example, children’s maths age improved by an average of 12 months within 12 weeks with just 20 hours tuition by the one-to-one Numbers Count

programme at four times the expected rate (TeacherNet, 2009). As observed by one TT "There could be surgeries in personal finance issues [giving] advice and some form of training on a regular basis". Participants could benefit from someone who was a competent adviser-cum-FLP, and this is likely to increase participant interest in FLE interventions.

Studies and consultation exercises have revealed that curriculum design/development of course materials could be made more effective by inputs from a variety of professionals (Carlton et al., 2002). There is a need for vetting FL material, ideally by people who combine the expertise of financiers with the passion of consumer champions.

Educational interventions have been designed based on flawed assumptions about the nature of FL and FLE. This thesis raises questions about what might constitute effective components of FLC, and puts forward a framework for consideration.

While recognising the differing situational needs of individuals in relation to FL, it was found that a framework of common principles for an effective FLC was both desirable and feasible. CoBAL is put forward as an example of the kind of components that need to be brought together in an effective FLC.

8.2.1.4 Financial literacy practitioners

A review is needed of the role and operation of FLE providers. FLPs need to be subject to more rigorous screening and a minimum standard of qualifications. More funding may be necessary to attract more competent practitioners. As observed by one TT, "The government pays lip service to its [FL's] importance...but they don't put their money where their mouth is". Another FLP said, "Its [FL's] profile needs to be on a par with SfL...You could claim that SfL is embedded in a FLC; currently it is vice versa-FL is embedded in it".

The recorded interviews highlighted the striking differences between TTTs/TTs and some of the Ts: the former spoke fluent English, were familiar with the terms FL and FLE, had held jobs and roles such as 'Project Manager', 'Partnership Manager', 'Finance Manager', 'Skills for Life Manager, Employability', 'CPD for staff Development and Dyslexia Support', 'Development Worker', 'Course Tutor for Literacy and ESOL', 'Curriculum Standards and Development Advisor for numeracy and financial capability', 'FL Worker', 'Senior Debt Adviser', 'Education Services Manager' and 'Employment Officer' in organisations such as

colleges, county councils, Adult/Community Learning programmes, CABs and charities such as 'Community Links' and 'The Passage', while many of the latter struggled to speak in English and were mostly unemployed. It was therefore understandable that the former assumed they were more financially literate than the latter and in a position to offer FLE, though clearly, these differences alone are not adequate qualifications.

While there was a great deal of awareness about the need for improving FL levels of 'others', the need for improving one's own FL was seldom acknowledged by those purporting to impart it. FLPs need to reflect, not only on the implications of unethical practices prevalent in the financial services industry, but also on the ethical implications of undertaking an educational practice without being appropriately qualified. FLPs need to take an active part in their own education and willing to examine new approaches to FLE.

What had been found about consumers seemed true of FLPs, that they "often overestimate how much they know" (OECD, 2006:4). FL requires an understanding of financial concepts and calculations that many FLPs do not possess. Some seemed to imply: "You wouldn't expect a maths teacher to teach plastering" (Casey et al., 2006:39) or an FL teacher to teach maths. FLPs need to be grounded in financial concepts, the very least of which is the ability to calculate compound interest/AER. The problem of inadequate numeracy is compounded by overestimation of existing levels, underlining the need for urgent attention to this very important skills area.

FLPs were generally not aware of theoretical concepts and principles that might underpin course offering. Organisations that delivered some of these courses seemed content to give basic instructions such as "keep ten pencils handy" to their FLPs, but not principles and frameworks such as those suggested by Gagne (1985). FLPs need to recognise these principles as both practicable and effective in real-life classroom situations.

The current belief among many FLPs seems to be that FL is largely a matter of being able to budget, and so long as people are able to add up income and expenditure and do "simple budgeting", they fulfil the requirements to be FLPs. This attitude needs to change. FL is complex and needs to be recognised as such.

FLPs generally demonstrated an obsession with as well as a strong aversion to debt of any kind. One TT said, "Our job really is about showing how people not to get into debt...how to avoid getting into debt". One TT defined FL as "from society's point of view, a way of organising people's transactions in such a way that the society isn't overburdened with debt; from individual's point of view it is something similar but adapted to individual circumstances". Generally, not much distinction was made between debt incurred for consumption and investment. It is important to emphasise that debt could lead to the acquisition of assets and did not necessarily have to be bad, and that the true indicator of financial health was the overall net worth of an individual which was the net position of assets minus liabilities/debt.

Some FLPs' own command over financial terminology and concepts did not seem to be adequate, and they did not seem to be clear in thinking through the complexities of FL, FLE and FLC. Even basic concepts such as assets and liabilities were not understood adequately; one TT2 said that financial independence was needed before "buying liabilities" and that "spending money on liabilities" should be avoided; probably what he meant was that one should avoid buying consumer goods and funding them via loans that constituted liabilities.

FLPs need to feel able to provide "generic advice" and "generic solutions", not "product-specific recommendations" (FSA, 2003) that would be required to be regulated. Some FLPs are conscious that they need to avoid straying into the provision of authorised financial advice (advice regulated by the FSA) inadvertently. For example, one FLP felt she could offer debt advice but not money advice. The distinction did not appear to have a clear rationale. Current legal and regulatory requirements need to be reviewed. It would be useful if FLPs also held appropriate qualifications empowering them to give financial advice; IFAs and others could be encouraged to become FLPs. Appropriately qualified FLPs would feel empowered (Courts, 1991, McLaren, 1989) to offer both advice and education, which is something many participants would welcome.

There seemed to be a reluctance to identify and use specific assessment tools. The repeated emphasis on meeting group needs seemed to bestow absolute discretionary powers to FLPs as to what should or should not be done within a group of learners. Introduction of uniform assessment tools and performance indicators in relation to the

development of “complex cognitive and skills-based” competencies involved in “financial management” and “independent living” (Moye et al., 2011:367) are considered desirable in order to improve standards in FLE.

FLPs frequently carried negative perceptions of their client groups, that they got into debt, were unable to control their finances, and in need of someone to tell them not to get into debt. The client groups, in turn, seemed to be trapped as even the FLPs to whom they might turn did not really believe in them or in their potential to become financially independent.

Above all, there is a need to adopt a non-judgemental attitude towards participants and to be able to understand that poor financial decisions may be due to a variety of reasons unconnected with the simple ability to add income and expenditure. More and more insights are now available as to why people may borrow or spend too much and how brain structures and patterns influence behaviour. Berns (2009) found that the brain relinquishes responsibility when a trusted authority provide expertise; when conscious choices are made brain areas such as the anterior cingulate cortex and the dorsolateral prefrontal cortex, which are involved in active decision making, register high activity. Conversely, while offloading the task of rational evaluation to an adviser, these parts of the brain register low activity. Poor numeracy may be due to a condition called dyscalculia which is thought to be caused by abnormalities in the intraparietal sulcus (Kaufmann and Nuerk, 2005, Alonso and Fuentes, 2001, Colwell, 2003). Stanford researchers have found that the anti-depressant citalopram, available as Cipramil or Ciprallex, stops oniomania, the urge or pathological addiction to shopping (Koran et al., 2003). Conversely, compulsive gambling, with extreme losses greater than \$100,000, by people without a prior history of gambling problems, has been linked to a class of drugs commonly used to treat the perceived neurological disorder restless legs syndrome (RLS) (MayoClinic, 2007). Many may be spending more than they earn because they feel inadequate (Rowe, 1998). Poor financial decisions may thus be made for a variety of causes dependent on brain functions, and in the circumstances, “judge not”⁷³ would seem to be a sound principle.

⁷³ Matthew vii:1 in the Bible, King James version

As indicated in a personal communication to me by Coffield (2005), there is a need to look at papers on Education and Brain Science⁷⁴ which seek to encourage dialogue among educators and neuroscientists about learning, as well as an interdisciplinary effort for resolving educational problems. Education may compensate for society⁷⁵, but may not compensate for biology.

8.2.2 Recommendations for policymakers, providers and regulators of financial services

8.2.2.1 Provision of financial services

The essence of marketing has been defined as identifying and fulfilling consumer needs. Banks and other financial institutions need to recognise that the greatest need of the consumer is to know his or her real needs, which would include the need to understand financial products that are being purchased. This recognition would lead to greater transparency in the marketing of financial services and the realisation that ethical and effective business practices do not have to be at variance.

8.2.2.2 Regulation of financial services

Consumer education needs to be supplemented by consumer protection. The FSA should do more to make financial information more transparent. At present it is virtually impossible to find the AER published for loans or the simple interest rate published for deposits. Currently, FIs provide AERs for deposits but not for loans because the compounded rates are higher and more attractive as deposit rates, but less attractive as loan rates, and they provide the simple interest rates for loans but not for deposits as that is more attractive as loan rates, but less attractive as deposit rates. I propose that the publication of the simple rate of interest per annum, the frequency of compounding and AER be made mandatory for loans in addition to the APR, which is not well understood by both FLPs and consumers and even some bankers; conversely, for savings deposits, the publication of the simple interest rate and the frequency of compounding should be made mandatory in addition to the AER⁷⁶.

⁷⁴ See, for example, 'Understanding the brain: the birth of a learning science' (OECD, 2007).

⁷⁵ Basil Bernstein (1970) famously said "Education cannot compensate for society".

⁷⁶ I submitted this via the web as a proposal to be voted on at the 'Westminster Briefing' held on 24/3/2010, but the organisers did not choose to upload the motion to enable voting to take place.

This single measure could go a long way towards furthering public understanding of interest rates, which currently assume more shapes and sizes and guises than those encountered in more regulated economies.

That said, a government that is itself engaged in window-dressing is unlikely to come down heavily on window-dressing by FIs. For example, the top rate of income tax advertised by the government as 50% actually works out to 61.5% for someone earning £100,000 if the withdrawal of personal allowance and NI were to be taken into account. The government needs to realise that ultimately a more open and transparent system will better enable the needs of the general public to be met, and may also promote their own long-term political survival.

8.3 *Ethical dimensions*

Ethical issues were encountered in relation to setting out of research findings. I was racked with doubts when I wrote my recommendations for policy. I could water down my views and findings and policy recommendations by restricting myself to broad statements that would give more comfort to readers and result in less awareness of specific issues such as the urgent need to ensure quality and standards of FLE. However, I was persuaded by my own convictions as well as by current ethical guidelines that it was imperative that I draw attention to areas that needed to be urgently addressed, much in the same way as someone who had witnessed a crime was duty-bound to report it, even if the authorities were to later conclude that no action was necessary.

To be fully aware of potential ethical issues does not diminish the difficulty of dealing with them when they are actually confronted. For example, I had obtained permission from the organisers for only observing courses for Ts. When I noticed that the APR actually displayed by the trainer by means of a pre-prepared chart was incorrect, do I say nothing and fulfil the terms of my observational contract, or do I bring the error to the attention of the trainer in private, or do I interject in the middle of the class proceedings and point out the error? The last option would undermine the authority of the trainer and violate the terms of my unwritten contract, but the first would mean that future participants would continue to be disadvantaged by inaccurate training material. I chose the middle course of action, and felt I had discharged my ethical as well as contractual obligations. However, "engaging with research methods requires...not only adherence to ethical codes of conduct, but caring for

the researched" (Gibbs et al., 2007:365); my decision meant that one specific group of participants had not been enlightened about the error in the course material.

While concluding the thesis, I am confronted with similar choices. Should I call a spade a spade or should I call it a harmless piece of cutlery? I felt I had a duty to call what I considered to be a spade to be a spade, even if it meant some others might object that I had exaggerated by calling a spade a bulldozer. I argue that FLE should not be left to the judgement of individual trainers who are less than qualified to deal with it. Otherwise, the unresolved issue of setting and maintaining comparable and acceptable standards is likely to lead to ethically or socially problematic consequences, as "the practical issue ...is not whether ethical judgements are objective or subjective but whether they are supported by sound reasoning and so provide a convincing basis for action" (Cresswell, 2003:7).

8.4 *The way forward*

The conclusions from this research need to be treated as tentative due to the limitations of the study as indicated in section 7.3 and elsewhere. However, considering that a number of FAs, FLPs, course participants and key informants including policy makers have been consulted over a period of ten years, the conclusions may be useful as hypotheses for further research and for sharpening research focus in the areas of FL and FLE. Larger scale analyses of FLPs and FLE could be fruitful areas for future research. Further research is required to test the CoBAL synthesis of curriculum components in other contexts and evaluate its effectiveness. There is scope for similar research in other countries to ascertain common trends and patterns in relation to FL.

I believe "that there are no limits to understanding" (Dawkins, 2006:374), including the understanding of FL and FLE, and there is a need to continue to push "at the limits of understanding" FL and FLE. In the Darwinian sense, the financially fittest will survive, and their survival would have ensured the perpetuation of financial practices that are best adapted for such survival. In other words, we could hope for progressively more financially competent generations, other things being equal, in the long term.

In the meantime, as a fellow banker once commented: "there is no money advising the poor"; bankers are interested in advising those who pay well, FLE being just a small gesture of charity sponsored by some banks as part of their CSR which has been described as

“nothing but a mask, made up of glossy brochures, beguiling speeches, and media-savvy ‘partnership initiatives’, crafted to hide the fact that corporations deny economic justice and sustainable environments to those who need them” (Schwarzkopf, 2009:118). Greater public policy support is needed, particularly for those who might have become “second-class citizens” (Temko, 2006, Green and Hulme, 2005:870), in the form of more effective educational interventions.

The findings of this research have implications for public policy. Efforts should be directed towards developing a more rigorous and aspirational form of FLE that would facilitate more effective FL outcomes. Financial education has huge benefits for consumers and to the economy as a whole (OECD, 2005b). “Wealth ownership and accumulation matter for everyone. Wealth can buffer economic crises, break the cycle of intergenerational poverty, and build capabilities of individuals and communities to live better in the long term” (Han and Sherraden, 2009:475). FLE can facilitate wealth accumulation, and continuing research in the area of efficacy in financial education is therefore very important (Anderson et al., 2007).

Encouraging the practical application of research results is critical to the mission of raising FL among the general public. To use Obamaesque (2009) language, rigid beliefs about the inherent incompetence of the underclass have overruled basic principles of behavioural science, and special interests have overshadowed common sense; for the sake of providing equal opportunities for all to become financially literate there is a need for commitment to change. The recent OECD-IEFP Symposium on Financial Education assembled high-ranking officials and decision-makers from around the world to discuss and elevate international policy dialogue on the importance of FLE as one of the possible global long-term responses to the recent financial crisis (OECD-IEFP, 2009). Ultimately, effective FLE that leads to a reduction in inequalities will benefit nations as well as individuals; it has been found that the diversity of human capital induced by income inequality always lowers the GDP of the next period, while the diversity of human capital induced by heterogeneous ability can increase GDP (Takii and Tanaka, 2009).

It is hoped this thesis improves the understanding of what is FL, what is FLE and what might be the components of an effective FLC. It is also hoped that some of the work in this thesis

that has been published/acknowledged⁷⁷, has contributed to awareness and possibly relevant policy development, and that, in time, the findings from this research might be helpful in guiding change in FLE that is currently being offered.

In 2000, the AdFLAG Report stated: "there is no clear definition for adult financial literacy". In 2010, ten years later, the position remained unchanged, and (Remund, 2010:276) put forward "The Case for a Clearer Definition".

It is submitted that the "clearer definition" of financial literacy, financial literacy education and components of an effective financial literacy curriculum proposed in this thesis "should improve future research, in turn helping consumers better understand and adapt to changing life events and an increasingly complex economy" (ibid).

⁷⁷ See Appendix 20 for a list of publications, acknowledgements and presentations.

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Appendix 1: Preliminary enquiry one: questionnaire designed for university students

LONDON GUILDHALL UNIVERSITY
BANKING AND FINANCE SUMMER SCHOOL – 2001

FL should be included in the curriculum in Higher Education

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree

FL is relevant to students of other subjects e.g. Fine Art

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree

How can FL be included in the curriculum in Higher Education?
(e.g., inclusion of a separate unit every year, inclusion of a separate class every year,
incorporating within existing units, any other)

Any other suggestions / remarks relating to Financial Literacy

Name:
Occupation:
If student level of study being undertaken:
Organisation (if working)
Country:

Appendix 2: Preliminary enquiry two: questionnaire designed for university students

CONTINUOUS FL DEVELOPMENT

Definition of Financial Literacy:

"The ability to make informed judgements and take effective decisions regarding the use and management of money"

- Noctor M et al (1992) Financial Literacy, for Natwest Bank

1. Describe some of the financial decisions you have taken in the past:

	More than five times	Four or five times	Two or three times	Just once	Never
Opening a bank / building society account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closing a bank account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applying for a credit card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closing a credit card account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Taking a bank overdraft	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applying for a student loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applying for car insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Making an insurance claim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applying for a mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Starting a pension scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Describe your views on managing financial matters:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
It is difficult to prioritise financial issues and work towards long-term goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The financial advice given by banks, building societies and insurance companies can be relied upon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is difficult to interpret the variety of financial information presented on the TV, radio, newspapers, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is difficult to plan, organise and implement financial tasks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Describe your views on the need for Financial Literacy:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
FL is important for all students regardless of their particular discipline e.g., Fine Art	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FL should be included in the curriculum in Higher Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The inclusion of FL within the curriculum should be compulsory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would welcome classes / units that would improve my own FL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is a need for Continuous FL Development throughout one's life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If television quiz programmes are conducted on I will watch them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Television quiz programmes on financial matters will promote	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. How can FLbe best included in the curriculum in Higher Education?

Inclusion as a separate unit in the first year ☐

Inclusion as a separate unit in the final year ☐

Inclusion as a separate unit every year ☐

Incorporating as a part of an existing unit ☐

Incorporating as an electronic self-study package ☐

Any other: _____ ☐

_____ ☐

_____ ☐

_____ ☐

_____ ☐

5. Any other suggestions for improving Financial Literacy:

6. Any other comments drawing on your experiences in handling your own financial affairs:

7. About yourself:

Gender	Male <input type="checkbox"/>	Female <input type="checkbox"/>			
Age	Below 18 <input type="checkbox"/>	18 - 24 <input type="checkbox"/>	25 - 34 <input type="checkbox"/>	35 - 50 <input type="checkbox"/>	Over 50 <input type="checkbox"/>
Marital Status	Single <input type="checkbox"/>	Married <input type="checkbox"/>	Cohabiting <input type="checkbox"/>	Widowed/divorced/ separated <input type="checkbox"/>	
Level of study	Under graduate First Year <input type="checkbox"/>	Under graduate Year 2 <input type="checkbox"/>	Under graduate Final Year <input type="checkbox"/>	Post graduate & above <input type="checkbox"/>	Other <input type="checkbox"/>
Level of income per annum	Below £1000 <input type="checkbox"/>	£1000 - £4999 <input type="checkbox"/>	£5000 - £9999 <input type="checkbox"/>	£10,000 - £20000 <input type="checkbox"/>	Over £20,000 <input type="checkbox"/>
Ethnic origin	White <input type="checkbox"/>	Asian <input type="checkbox"/>	Black <input type="checkbox"/>	Other <input type="checkbox"/>	Prefer not to answer <input type="checkbox"/>

Name (optional):

Email address: (Optional)

University:

Date:

Appendix 3: Survey One: Questionnaire completed by financial advisers (a completed sample)

NIACE Survey – FL(Older People)

Institutions and organisations offering services/information/advice on financial matters

May 2001

No: 45

Name of company/organisation:

HSBC Bank Plc

What is your understanding of the term 'financial literacy'?

The ability to understand and demonstrate how to manage all aspects of money

What do you consider to be the most important financial issues for people over the age of 50?

Planning for retirement

Planning healthcare (protection against consequences of ill-health, accident or death)

What to do with more disposable income

Managing personal income based on receiving pensions

Inheritance tax / planning

What do you feel to be the most important financial issues for younger people to consider in relation to their later life?

Definition of younger people?

Buying a home - mortgage

Providing for retirement - pension

Savings and Investments – Cash. Equity based

All above are dependant on personal circumstances and life stage

What does your company/organisation currently do/plan to do, to discover or address the financial issues most relevant to older people?

Market research is currently being undertaken to understand: financial views, behaviour, perceptions and attitudes most relevant to older people particularly the "empty nesters" and retired.

Are you aware of any specific strategies for problem-solving which older people use day-to-day in relation to financial matters?

No

If so, how do you utilise this information?

Not applicable

Do you produce any specific literature/materials on finance aimed at people over 50? (Please itemise and enclose samples)

No

How do you use Information Technology to inform older people about financial matters? Please send us some illustrations with details on levels of usage?

HSBC has its own web site which any person may access: www.hsbc.co.uk

Have you any other comments on financial literacy?

HSBC are sponsors of Money Advice Trust. We also sponsor and are on the board of Money Management Council. These provide advice and services across all age and social economic groups.

We support the education of young people in various ways. Many of our sponsorships and donations are aimed at raising the standards of financial education and awareness in secondary schools.

We may wish to contact you to follow up your response. If you are happy for us to do this, please state:

Contact name:

Helen Reid

Telephone number:

0207 260 6119

It is our intention to use comments expressed, in promoting the project and within the final report. If you wish your comments to be unattributable, please tick this box.

☐

Please enclose any literature or publications which you consider relevant to the purposes of this research.

Enc:

Appendix 4: Survey One: Summary of NVivo analysis

node	docs
(1) /Financial Literacy	
Understanding ~ comprehension	57
Money management	34
Budgeting	27
Knowledge ~ information ~ awareness	18
Natwest definition	18
Informed decisions	17
Numeracy	8
Handling debt	5
Confidence	4
Maximising income	4
Other	3
(3) /Financial Issues for older people	0
Pensions	49
Retirement planning	44
Balancing reduced income with expenses	36
Benefits-access & entitlements	27
Health	24
Savings and investments	22
Long term care	20
Debt management	19
Unemployment	16
Home, housing	13
Funeral plans, wills, widowhood	9
Lack of understanding	7
Other	7
Children, inheritance tax	7
Insurance	5
Tax matters	4
Relationship breakdowns	3
Adapting to changing circumstances	1
(4) /Financial issues for younger people	0
Pensions	72
Debt management & avoidance	32
Housing, mortgage	32
Retirement, long term planning	27
Savings and Investments	23
Budgeting	22
Understanding	16
Healthcare	10
Insurance	9
Financial knowledge, advice	9
Education	9
Inability to think ahead	7

Family	7
Long term care	6
Other	6
Unemployment	6
Relationship breakdown	3
Taxation	1

(5) /Present, planned action for older people

Present action

Advisory service	47
Debt counselling	29
Maximise welfare benefits	27
Help with financial problems	16
Nothing	14
Liaison with other agencies	14
Influence social policy	14
Information service	11
Other	10
Training	6
Nothing specific for older people	5
Home visits	5
Do not give investment advice	5

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Planned action

Nothing	14
Nothing specific for older people	5
FLprogrammes	2
Other	1

(6) /Awareness of strategies used by older

Not aware of any strategies by older	43
Consult advice agencies	21
Budgeting	14
Set money aside	12
Borrowing	11
Avoid debt	11
Cutting down on fuel, food, etc~	9
Other	9
Use of payment schemes	8
Consult people	6
Equity release	4
No specific strategies	4
Shop around for best deals	3
Investing	2
Use information sources	2
Learn from past experience	2
Keep money at home	1

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(7) /How utilise information

No response, not used	58
Provide advice	11
Other	11
Debt counselling, mgmt, mediation	10
Provide information	9
Maximise benefits	8
Provide assistance	5
Social policy work	5
Persuasion re rights	2
Offer financial services	1

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(8) /Produce specific material on finance

No	73
Use material produced by others	19
Nothing specific for people over 50	13
Through NACAB	6
Other	6
Debt counselling	4
Computerised information system	1

(9) /Use of IT

No	47
Through NACAB	19
Provide websites and computers	14
Electronic Information Systems	14
Information system for benefits	10
Debt advice system	7
Nothing specific for older people	6
For financial statements	6
Other	3
Email advice	2
Information system for tax	1

(10) /Any other comments on FL

No comments	41
Need for all age groups	18
Other	13
Pressure to borrow, debt culture	12
Need for education in school	11
Need for financial literacy	10
Problems of jargon and complexity	6
Misselling, lack of impartial advice	5
Running FLprojects	5
Poor quality journalism, literature	2
Increasing in importance	2
Older people need to seek help	1
Neglected area	1
Need numeric skills	1
Passed on within the family	1

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TABLE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES



Appendix 6: Basic Skills / FLE Contacts at Local Learning and Skills Councils

LLSC	Title	Team
Bedfordshire and Luton	Head of Lifelong Learning	Social Inclusion Division
Berkshire	Basic Skills and Lifelong Learning Executive	Strategy & Planning
Birmingham and Solihull	Core Skills Co-ordinator	Access Participation & Equal Opportunities
Bournemouth, Dorset & Poole	Basic Skills Co-ordinator Basic Skills Contract Manager	Work Force Development
Cambridgeshire	Learning Co-ordinator - Adult Skills, Widening Participation Manager	Strategic Planning & Resources
Cheshire and Warrington	Basic Skills Strategy Manager	Widening Participation & Social Inclusion
County Durham	Basic Skills Co-ordinator	Policy & Planning
Coventry & Warwickshire	Basic Skills Co-ordinator	Planning & Development
Cumbria	Head of Education and Quality Improvement/Basic Skills Manager	Education and Quality Improvement Division
Derbyshire	Head of Innovations & Development	Innovations & Development
Devon and Cornwall	Lifelong Learning Manager	N/A
Essex	Basic Skills Manager	Lifelong Learning & Basic Skills
Gloucestershire	Basic Skills Co-ordinator	Access & Inclusion
Greater Manchester	Area Manager BS Lead	Lifelong Learning
Greater Merseyside	Equal Opportunities Co-ordinator/Equal Opportunities and Social Inclusion Manager	Development Team
Hampshire and the Isle of Wight	Planning Officer	Widening Participation
Herefordshire & Worcestershire	Adult Access Advisor	Learning Access & Participation
Hertfordshire	Director of Adult Learning	Adult Learning
Humberside	Basic Skills Manager	Social Inclusion

Kent and Medway	Development Manager/Professional Development Centres Co-ordinator	Operations & Quality
Lancashire	Basic Skills Manager	Development & Quality
Leicestershire	Learning & Development Manager	Operations Division
Lincolnshire and Rutland	Learning Development Manager	Lifelong Development
London Central	Head of Strategic Partnerships and Social Inclusion	Equal Opportunities & Diversity
London East	Director of Strategic Development & Quality	Programmes Development
London North	Learning Development Officer	Learning Development
London South	Head of Development	Policy & Planning
London West	Head of Adult & Community Education	Adult & Community Education
Milton Keynes, Oxfordshire and Buckinghamshire	Partnership Manager	Learning for Life Team
Norfolk		Strategy & Development
North Yorkshire	Basic Skills Manager	Life Long Learning Team
Northamptonshire	Basic Skills Manager, Inclusive Learning Manager	Adult learning Operations
Northumberland	Basic Skills/Community Development Manager	Policy & Planning: Widening Participation
Nottinghamshire	Access & Equality Manager	Learning & Programmes
Shropshire	Lifelong Learning & Widening Participation Manager	Lifelong Learning & Workforce Development
Somerset	Learner Support Manager (Basic Skills)	Access, Equal Opportunities & Inclusion
South Yorkshire	Adult Basic Skills Manager; Basic Skills Contract, Research Manager	Widening Participation
Staffordshire	Basic Skills Manager	Access & Participation
Suffolk	Basic Skills Co-ordinator	Workforce Development

Surrey	Basic Skills Manager	Quality & inclusion
Sussex	Adult & Community Development Manager/Education Officer	Operations Directorate
Tees Valley	Opportunities Development Adviser; Director of Learning for all, Senior Contract Manager	Learning for All
The Black Country	Senior Manager-Adult Strategy	Strategy & Access
Tyne and Wear	Literacy & Numeracy Manager	Strategy & Access
West of England	Basic Skills Manager	Community Development Team
West Yorkshire	Basic Skills Manager	Programmes
Wiltshire & Swindon	Social Inclusion Manager, Basic Skills Advisor	Planning & Development Directorate

Appendix 7: FLE providers in the Education and Community sectors who participated in the research

FLE IN THE EDUCATION SECTOR

Local Learning and Skills Councils

Eight LLSCs responded to the survey. Most LLSCs said that they did not deliver FLE directly but did so through their provider base e.g. Wiltshire & Swindon, Somerset and Suffolk LSCs. Several LLSCs cited "colleges, County Councils and "a host of small private providers" across the region as providers. Some LLSCs seemed to be equipping their tutors with the resources, skills and knowledge that would enable them to teach FL to their basic skills learners. One LLSC said that they were running two workshops that month, both over-subscribed, to train the tutors, using a BSA expert as the trainer; they felt that they needed to "upskill" their tutors before they "could provide training". The BSA reported that in general the LLSC's had been interested in organising training events for tutors and community workers: raising awareness and showcasing materials with training on the use of BSA's CD Roms 'Money-go-round' and MoneyPower'. It was found that sixteen LLSCs, including Central London, had recently provided training in conjunction with the BSA. Some LLSCs such as Kent and West of England were also interested in arranging training in FL for their tutors, though they had not been able to do so by March 2004.

Local Education Authorities

Local authorities (LAs) supported the delivery of basic skills including FL by various partner institutions. Local Education Authorities (LEAs) supported FLE via the Adult Education and Schools routes. Some LEAs had also been involved in piloting FL projects in conjunction with CUs and CABs. The Adult Basic Skills Coordinator of one London borough confirmed that FLE was offered in the borough, but qualified that the Borough Council provided support not as provider but by way of partnership with the actual provider which was an Adult College. Another London Borough Council on the other hand indicated that it ran two ten-week courses in money management skills and that emphasis was placed upon understanding different types of financial issues and handling personal finances. Another London borough indicated that it secured its adult learning through two main providers, but did not specify FLE provision.

Basic Skills Agency

BSA, (www.basic-skills.co.uk) an independent organisation funded by the Government through grants was a not-for-profit organisation and a charity working with a number of partners in the education, community and commercial sectors to promote FLE. In the 2000 budget the BSA was allocated part of the funding to set up a programme to improve the financial literacy of adults. The BSA played a pivotal role in coordinating efforts by various organisations in the provision of FLE. The Agency's own response to the questionnaire made it clear that it worked with practitioners supporting FLE, rather than deliver FLE directly to the public. The Agency said that funding from ABSSU enabled resources to be created and distributed to FLE practitioners. (BSA has since merged with NIACE discussed in the next section below.)

National Institute of Adult Continuing Education

The formal aim of the National Institute of Adult Continuing Education (NIACE) was to promote the study and general advancement of adult continuing education. NIACE⁷⁸ assisted the government in the examination of issues of concern relating to FL skills of adults in general and older people in particular. As part of its FL Older People project, NIACE had created learning materials to help older adults and those who worked with them to make better sense of the financial world around them. After the merger with BSA, NIACE has assumed a leading role in the "work around financial education". Their spondoolies⁷⁹ website provides a forum for those engaged in financial learning for adults.

Prisons Learning and Skills Unit

Three prisons took part in the survey, two of which confirmed that they offered FLE. One prison said that its basic skills provision was taught by staff from Norwich City College. Another prison said that it was attaching its reply despite the fact that they did not currently offer FLE as they were planning the delivery of FLE in the very near future. Debt had been recognised as a factor in offending. The need for FLE had been identified but not yet addressed except within existing basic skills and social/life skills programmes delivered by the City College of Norwich overseen by a prison service Manager. When FLE was

⁷⁸ See www.niace.org.uk

⁷⁹ See www.spondoolies.org.uk

delivered, it would be within the context of learning and skills for juveniles, young offenders and adult female prisoners on a face to face basis.

Shropshire LSC mentioned that they were aware of a particular FL project aimed at offenders delivered by Shrewsbury College. One College confirmed delivery of FLE in the context of probation, care and community. Connexions Suffolk mentioned their partner Anglia Care Trust as offering a range of services to offenders and ex-offenders including Sfl and money/debt advice.

Universities

Universities offered FLE by way of "extra mural provision", promoting learning activity in communities outside the bounds of their institutional walls. Universities such as Bristol, Cranfield, Cambridge, Loughborough and Warwick were reported to be engaged in such provision. For example, HSBC collaborated with Students In Free Enterprise (SIFE), and offered grants for SIFE's university students to develop community projects that provided FLE to young people aged 16-25, and encouraged women to develop financial independence through entrepreneurship. A LondonMet student was involved in the project 'Hope', which was funded by such a grant; the project aimed to help young single female parents develop their entrepreneurial skills, start up their own business or return to studying.

University for Industry / learndirect

University for Industry (Ufi) worked as a public-private partnership in England, Wales and Northern Ireland to improve the employability and career prospects of individuals and boost business competitiveness. Ufi's learning services were delivered through 'learndirect' centres which provided access to courses, over 80% of which were on-line. Ufi/learndirect was embedded within the learning and skills sector and worked with the ABSSU and awarding bodies to offer the National Certificate in Adult Literacy and Numeracy through online tests in selected learndirect centres. Ufi/learndirect also worked with SMEs and large employers such as Nissan and Asda to identify training needs and deliver solutions. learndirect centres were located in places that were easily accessible such as sports clubs, leisure and community centres, churches, libraries, university campus and railway stations, and some of these centres provided FLE as part of their literacy and numeracy courses. Scunthorpe centre which responded to the questionnaire survey mentioned "Cash Crescent

– bank account, interest, good deals, finance, different family situations” as comprising the FLE provided by them.

Colleges

The colleges surveyed were equally divided in their response: four said they offered FLE and four did not. Tower Hamlets College, which was the first to respond to the survey, said that FLE was offered as part of ESOL (English for Speakers of Other Languages). Another College had developed and run FLE courses entitled ‘Money Matters’ leading to Level 1 / Level 2 National Test in Numeracy on a modular basis for first time in 2003-04. Gloucestershire College of Arts and Technology (Gloscat) said that the provision varied between specific and general. There were basic skills courses designed specifically for the client and focused on their exact requirements, which usually included completion of forms, handling the basics of money, basic numeracy such as handling change, completing cheques, understanding statements, etc. There were also more general courses such as ‘Beginners Guide to the Stock Market’. They felt that all provision had to be relevant to real-life situations to which the client could easily relate and use later. Colleges seemed to be collaborating in the delivery of FLE with almost every other type of organisation that had participated in the survey

FINANCIAL LITERACY EDUCATION IN THE COMMUNITY SECTOR

Community Finance Learning Initiative and the Savings Gateway

The government’s Community Finance and Learning Initiative (CFLI), that aimed to help people improve their basic FL, was being implemented by a number of pilot schemes around the country. The pilot schemes worked through local partnerships of existing community-based organisations such as the CABs, CUs and HAs, and provided FLE along with other incentives to help the financially excluded deal with their finances, manage their debts and begin to think about saving. Some of the CFLI projects were also piloting the Savings Gateway which was a Treasury initiative aimed at low-income savers.

New Deal for Communities

New Deal for Communities (NDC) was a key programme in the government’s strategy to tackle deprivation in the most deprived neighbourhoods in the country. The programme was delivered through partnerships between local people, community and voluntary

organisations, public agencies, local authorities and business, and included the theme of raising educational achievement. The Sfl Coordinator at the Manchester City Council NDC who responded to the survey confirmed the development of embedded courses where financial knowledge of credit, card and card services, banking, mortgages, etc were integrated within basic skills programmes; these programmes had been piloted very successfully and were being rolled out across East Manchester.

Housing Associations

HA tenants had been identified as among the country's most disadvantaged and financially excluded citizens. People for Action (PFA), the national network of housing and regeneration organisations in England and Wales, was involved in a range of initiatives to address social and financial exclusion (Sandford, 2003). PFA members included HAs such as Broomleigh HA (Bromley), Cambridge HS and Impact HA (Cumbria), and each member was developing local approaches to assist financially excluded people and help them access free basic skills training in literacy and numeracy. Broomleigh HA was working with Bromley College to develop FL courses to take place in Broomleigh's community centres located on estates. Cambridge Housing Society was using its experience in delivering projects and services that tackled financial exclusion to developing new ways of building FL; this work involved developing an FL module for an IT course, a CD-ROM that residents could use at home (laptops were available to borrow if necessary), an accredited money management course and a money management pack. Impact was targeting two particularly disadvantaged groups: previously homeless and very vulnerable young people, and women who had suffered domestic violence, building on the pre-vocational lifeskills course run in conjunction with Carlisle College to develop FL skills.

In 2002 London and Quadrant Housing Trust (L&Q) commissioned research by CDFI, which found that 70% of households in London had weekly incomes of under £200, 56% had no savings at all, many households depended on expensive forms of credit such as catalogues, and 24% did not have a bank or building society account. Following this research, L&Q, in partnership with organizations such as local CUs, high street banks and other HAs, launched an initiative branded CHANGE to tackle issues of financial exclusion among social housing communities. The Change Project Officer from the Metropolitan Housing Trust (MHT) participated in the survey, and provided details about this programme. L&Q and MHT were partners in Green Horizons which worked with CHANGE to offer free FL courses in the

borough. CHANGE was operating four pilot schemes in the London Boroughs of Southwark, Waltham Forest, Enfield (Edmonton), and Newham. The overarching goal of the pilots was to develop a framework that enhanced the understanding of money matters among social housing residents and which in turn put them more in control of their own affairs.

Credit Unions

Section 3(d) of the Credit Unions Act 1979 stipulated that one of the objects of a CU was: "the training and education of the members in the wise use of money and in the management of their financial affairs". CUs were actively involved on a day-to-day basis in improving the FL of their members even though in the majority of cases there was no structured programme or specific responsible member of staff. While seminars and short courses were organised, a lot of the work was on an informal basis and as such was not well documented. The Association of British Credit Unions Limited (ABCUL), as the membership based representative organisation for over 85% of members within CUs, was a member of the Adult FL Advisory Group (AdFLAG) established in 2000 to advise on ways to improve the FL of the adult population. ABCUL worked in partnership with other organisations such as the BSA and the FSA to develop financial education training programmes which could be made available to members of CUs. ABCUL was funded by the BSA to produce member education leaflets which were distributed by CUs to their members. ABCUL participated in the survey and indicated that some of the areas in which CUs worked in improving FL were debt management, financial management and budget planning. CUs built local partnerships with other local money advice and debt counselling agencies as well as disseminated information on member financial education programmes and generic financial educational material produced by other organisations.

Community Development Finance Institutions

The Community Development Finance Association (cdfa) was the trade association for CDFIs, and the representative of the cdfa who responded to my email described CDFIs as organisations which brought financial services to disadvantaged communities and individuals as well as underserved markets such as charities and social businesses. While not able to answer the questionnaire herself, she directed attention to their website and to the activities of their members. The website provided information about Sandwell Advice and Moneylink (SAM), a CDFI which promoted initiatives designed to improve FL in the

community, and provided advice on various aspects relating to borrowing money or planning a budget, either through its own staff or through networking arrangements with existing support agencies.

Citizens Advice Bureaux

Of the eleven Citizens Advice Bureaux (CABs) who took part in the survey six said that they offered FLE, both as part of Basic Skills provision and as standalone courses. Many CABs were enthusiastic about FLE and saw it as the solution of debt management problems. Islington CAB mentioned FLE in terms of money management with emphasis on debt control, understanding credit, banking, budgeting, etc. Some CABs offered tailor-made courses in FLE. Warrington CAB enclosed their leaflet "The CAB's FL project" offering two FL training options to individuals/organisations: option one was a free FL awareness session and option two comprised FL training. CABs are also mentioned elsewhere in this thesis as active partners in the collaborative provision of FLE in the community.

Work-Based Learning providers

Training companies were generally classified as forming a part of work-based learning (WBL) providers. Their responses to this survey were mixed. Harambee Training in Suffolk said their programme included FLE. On the other hand Key Training, also in the training business leading to NVQ qualifications, said that they did not "provide the support identified here", but added that they in the main worked with Modern Apprentices who may require support in basic skills; the support they provided was to do with the Modern Apprenticeships and not about financial management; they might touch on numerical skills as part of their Application of Number (AON) Key Skill but only to complete tasks to show competence in number skills. Here one begins to recognise the difficulty of clearly identifying FLE. Two similar organisations in similar areas of training seemed to have differing views about what constituted FLE.

YMCAs in England were Christian charities belonging to a national and worldwide movement; their central purpose was meeting the needs of young people, particularly at times of need and regardless of their gender, race, ability or faith. Training programmes were delivered by autonomous local YMCAs, which affiliated to the National Council of YMCAs (YMCA England). Stowmarket YMCA Training which was one of the survey

respondents indicated that they delivered FLE according to individual learners' needs on an informal basis.

Voluntary organisations/charities

A wide variety of voluntary organisations/charities were involved in the delivery of FLE. Nacro, an independent voluntary organisation and crime reduction charity, had been working since 1966 to give excluded young people and adults, ex-offenders, disadvantaged people and deprived communities help to improve their prospects for the future. Nacro ran pre-vocational and vocational training courses, which included a mixture of in-house training, work experience placements with local employers and help with key skills, such as literacy, numeracy and communication. Nacro in Suffolk confirmed that they specialised in working with young people who needed extra support to take up and complete a training course and that they offered FLE. Their client group who were 15-19 years old, who had to manage on £40:00 per week training allowance, were "mainly male, mainly disaffected, disinterested, difficult and demanding yet" stood to benefit from FLE which was being offered as part of key skills provision.

Other voluntary/community organisations reported to deliver FLE included settlements which were a part of the British Association of Settlements and Social Action Centres (bassac) which was a membership network of multi-purpose community organisations.

The Royal National Institute for Deaf People (RNID), which was the largest charity representing the nine million deaf and hard-of-hearing people in the UK, confirmed that they offered FLE. They had developed their own learning materials/packs aimed at adults with auditory disabilities, mapped to national numeracy curriculum and AFCaF. They also distributed number skills embedded materials to partners in post-16 education for use in their own contexts.

The Trade Union Council (TUC), affiliated to 71 unions representing about seven million working people from different walks of life, was part of the workplace basic skills network. The TUC Learning Services provided advice and guidance for representatives and members, and regional education officers organised courses. The Southern & Eastern Region TUC Learning Services participated in the survey, and stated that they worked with about 25 providers who offered FLE.

Services Against Financial Exclusion (SAFE) at Toynbee Hall undertook various streams of work, each of which included FL as part of its aim to increase financial capability; one stream was dedicated to financial education. SAFE was currently supporting the Saving Gateway (a government pilot which incentivised people on low incomes to save by matching their savings on a pound for pound basis) by providing one-to-one information and education about continuing to save. In conjunction with the Toynbee Hall Free Legal Advice Service, SAFE offered debt advice and debt prevention guidance to the general public. It had recently begun a piece of work looking at ways of incorporating FL into the debt management process after the initial crisis situation had been dealt with. SAFE also provided FL in other educational settings, offering a range of workshop and seminar sessions on money matters. SAFE worked with a range of partners, including HAs, community based training providers, advice providers and the local college. SAFE's clients were referred to it by other organisations or were members of the general public. As part of its wider work, SAFE took part in a number of community events where it provided financial information and training around financial inclusion and financial capability. SAFE used existing resources (provided by organisations like the BSA and FSA), as well as its own in-house resources. The programme for each course was said to vary depending upon the needs and size of the group.

Appendix 8: Calculation of Annual Equivalent Rate (AER): How an advertised interest rate of 8% actually works out to an AER of 14% due to the method of interest application

Loan amount: £1200

Interest @8% per annum for 1200 for one year: £96

Interest application method: Added on to the principal at the outset (not calculated on reducing balance of loan)

Average loan balance during the year: £686 (not £1200)

Therefore the effective rate of interest works out to: 14% per annum (not 8%)

Date	Particulars	Debit	Credit	Bank balance	Actual loan balance
1 January	To loan	1,200		-1,200	
1 January	To interest	96		-1,296	-1,200
31 January	By instalment		108	-1,188	-1,092
28 February	By instalment		108	-1,080	-1,080
31 March	By instalment		108	-972	-972
30 April	By instalment		108	-864	-864
31 May	By instalment		108	-756	-756
30 June	By instalment		108	-648	-648
31 July	By instalment		108	-540	-540
31 August	By instalment		108	-432	-432
30 September	By instalment		108	-324	-324
31 October	By instalment		108	-216	-216
30 November	By instalment		108	-108	-108
31 December	By instalment		108	0	0
		1,296	1,296		

Average balance	-686
Stated rate of interest	8% pa
Interest (i) = $\frac{\text{Principal (P)} \times \text{period (n)} \times \text{rate of interest (r)}}{100}$	1200 x 1 x 8 / 100
Annual Equivalent Rate (AER)	
$r = \frac{i}{P / n} \times 100$	96 / 686 / 1 x 100
	14% pa

A more accurate calculation can be made using the Excel spreadsheet function for the internal rate of return (irr) and arrive at the figure of **14.4521%** pa as the actual cost to the borrower.

Source: Hempel and Simonson (1999:480)

[This was the method of interest calculation adopted by Leeds and Holbeck Building Society for its fixed rate mortgage.]

Appendix 9: Financial Literacy: Training for Trainers (CoBAL) Course Flyer

IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES



IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

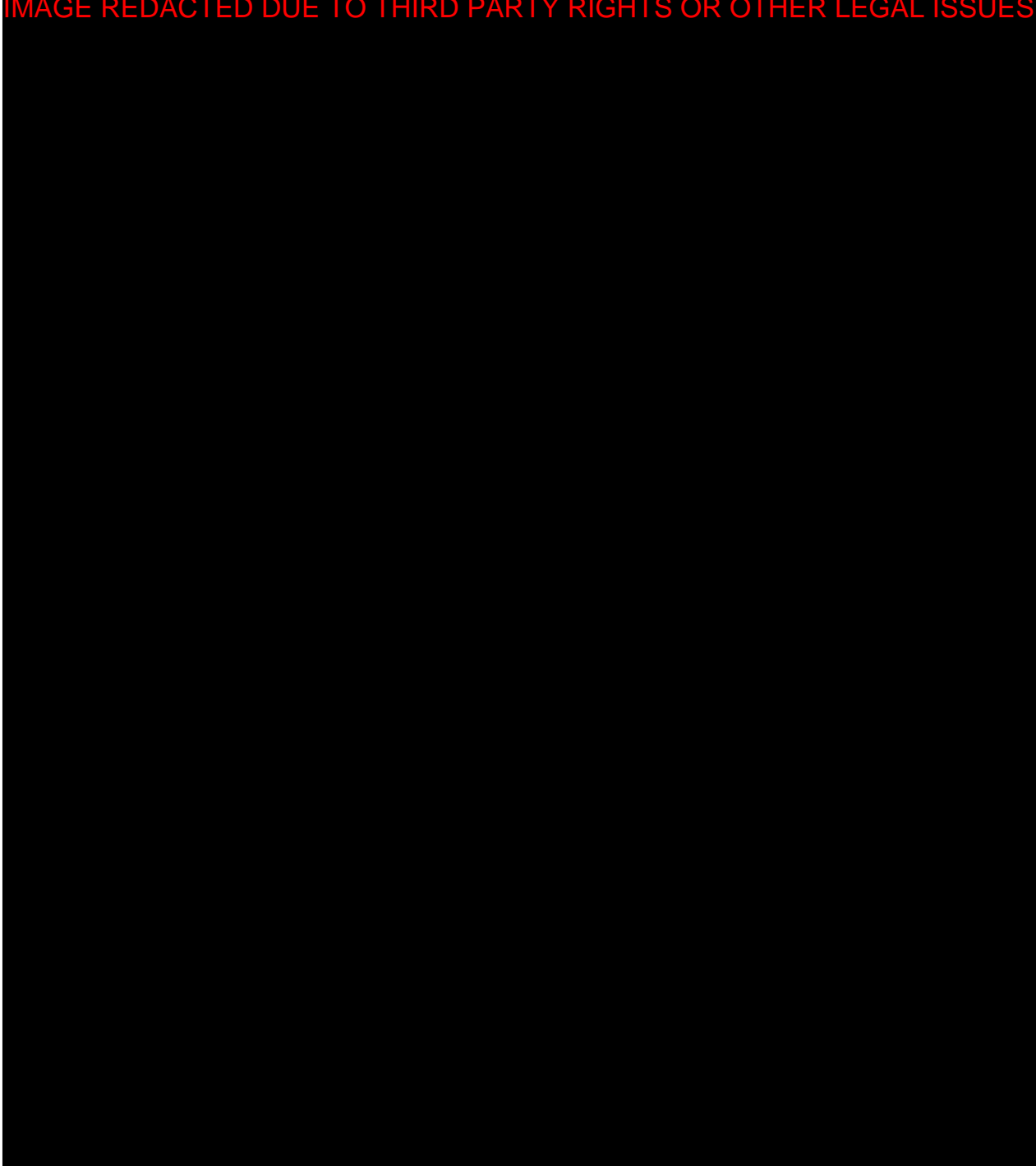




Client Registration Form



IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES



Appendix 10: Ground Rules for Action Learning

GROUND RULES FOR ACTION LEARNING

This group individually and collectively agrees the following for each of the members:

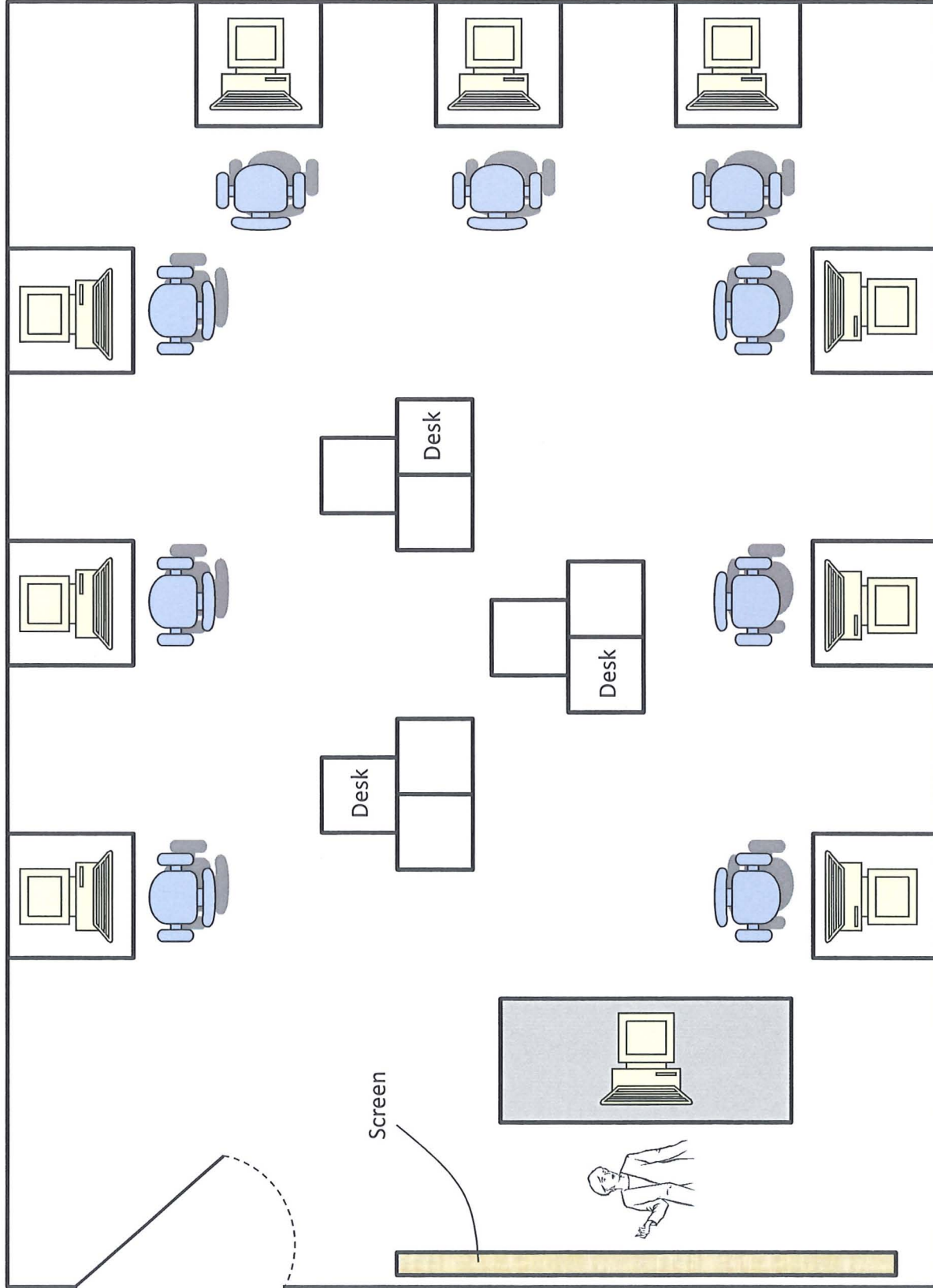
I will

1. Support others both in the group and outside of it.
2. Not be late for a session.
3. Speak one at a time.
4. Be an active listener.
5. Be constructively critical in the group and about the group process.
6. Adopt supportive but challenging questioning, encouraging deeper understanding of issues involved.
7. Frame helpful questions that encourage the exploration of ways forward without being judgmental
8. Respect others showing this through my behaviour both verbal and non verbal.
9. Make sure that everyone is included.
10. Report back to the group on progress at next group meeting
11. Keep the confidentiality of the group, all discussion stays in the room.

Appendix 11: CoBAL: Course Structure

Master class	Hours	Domain of Financial Literacy	Subject areas	Adult Financial Capability Framework	AFCaF Objectives (at level 4)
Introduction	½		Overview and introduction		
1	3	Money management	Budgeting, income & expenditure Controlling expenditure Comparing interest rates Tax deductions	1. Payments 2. Income generation 3. Income disposal 5. Financial planning – spending, budgeting	E(e)1 E(c)1 E(a)3 E(b)3
2	3	Planning ahead	Pensions Insurance	2. Income generation 5. Financial planning – saving 6. Risk and return	E(b)1 E(f)1
3	3	Making choices	Comparing forms of credit / debt Comparing savings products	4. Gathering financial information 6. Risk and return 7. Personal choices & the financial implications	E(g)3 E(a)1 E(d)4 E(f)3 E(f)2 E(f)4 E(f)5
Conclusion	½		Assess performance: questionnaire; Feedback and summing up		
Total	10				

Appendix 12: CoBAL: Class Layout



**Appendix 13: CoBAL synthesis of curriculum components offered in a Short Course
for Teachers and Trainers of Financial Literacy**

[See CD attached]

Appendix 14: Details of CoBAL course as incorporated in the database of NIACE on behalf of the Financial Education Qualifications Group

- A. Existing teachers
 - 1. Skills for Life / Key Skills
 - 2. Business Studies
 - 3. Maths
 - 4. Citizenship/PSHE
 - 5. Teacher Trainers / CPD Trainers
 - 6. Learning support staff
- B. Existing
 - 1. Debt / money advice
 - 2. Financial literacy / inclusion workers
- C. New to everything but want to work with group E
- D. Financial services industry
- E. Adults who want to improve their ability to manage their finances

Level	4 (Equivalent to Undergraduate Year 1/ Certificate Level)
Course designer	Nirmala Lee, Senior Lecturer in Banking and Financial Services, Finance and Financial Services Group, London Metropolitan Business School
Awarding body	London Metropolitan University
Title	Financial Literacy: Training the Trainer. A Competency Based Action Learning (CoBAL) Programme for Financial Literacy Educators
Course code	N/a
Units	Short courses/ masterclasses on: money management; planning ahead; making choices.
Accredited (Approved by QCA?)	As a short course by London Metropolitan University
QCA reference number (if applicable)	N/a
Length	10 hours over 2 days
Cost	£200
Funding information	May be eligible for funding earmarked by sponsors for meeting CPD requirements of trainers
Who aimed at	A, B, C and E. Useful for anyone who wishes to develop financial literacy at level 4 and above

Age range	17+
Brief description of content	<p>Knowledge, skills and attitudinal competences:</p> <ul style="list-style-type: none"> • budgeting for income and expenditure; • comparing interest rates, taxation; • financial planning: pensions and insurance; • comparing financial products: savings, loans and mortgages; • risk and return, regulation; • how to use online resources and tools; • how to use Excel spreadsheet for making financial calculations; • how to develop attitudinal competences via Action Learning sets.
Mapped to:	<ul style="list-style-type: none"> - The Adult Financial Capability Framework, - FSA's Financial Capability Baseline Survey Themes, - CPD requirements of financial literacy educators and other professionals
Method of delivery	<p><input checked="" type="checkbox"/> Face to face</p> <p><input type="checkbox"/> Online</p> <p><input type="checkbox"/> Self-study</p> <p><input type="checkbox"/> Other (please give details)</p>
Method of assessment	<p><input type="checkbox"/> Examination(s)</p> <p><input type="checkbox"/> Objective test(s)</p> <p><input type="checkbox"/> Assessed coursework</p> <p><input checked="" type="checkbox"/> Other (please give details)</p> <p>Internal assessment in the form of quiz questions</p>
Contact	<p>Rosie Mgbeojikwe (Email: r.mgbeojikwe@londonmet.ac.uk)</p> <p>Nirmala Lee (Email: n.lee@londonmet.ac.uk)</p>

Appendix 15: Request for Interview Form

London Metropolitan University

Teaching and Delivering Financial Literacy
May 2007

Are you happy to be interviewed?

Nirmala Lee

Senior Lecturer in Banking and Financial Services at the London Metropolitan University

would like to contact you to follow up on your experiences after a period of three months - for getting to know your views about the content and delivery of this course and the extent to which the course helped to support your financial decision making

The interview will be held at a time convenient to you. The interview is not likely to last for more than 30 minutes.

Participants who are interviewed will have a chance to win a free copy of the 'Personal Finance Handbook' published by CPAG and SAFE and supported by the Basic Skills Agency (BSA).

If you are happy for Nirmala to contact you, please state

Your name (in block letters please):

Your telephone number:

Your email address:

All responses will be completely confidential; any views will be ascribed to you only if you give written / email permission for your name to be published.

Many thanks

Nirmala

=====
Nirmala Lee BA MA DipTD CAIIB MIMgt PGCTLHE FHEA FCIB
Senior Lecturer in Banking and Financial Services
London Metropolitan University
Department of Accounting, Banking and Financial Systems
City Campus
84 Moorgate
London EC2M 6SQ
Tel: 020 7320 1673
Email: n.lee@londonmet.ac.uk
=====

Appendix 16: Suggested Interview Schedule

1. INTRODUCTION OF SELF

Hi, I am Nirmala Lee; I am a lecturer at London Metropolitan University.

2. WARMING UP

How are you? I met you at...course, and it is really good to catch up with you again. Trust you are well.

You had kindly agreed to be interviewed after a period of 3 months from the date of the course.

Is this a convenient time to talk to you? Are you happy being interviewed over the telephone? (If not, how would you like to be interviewed? (In person – where & when, via email, any other mode)

3. STATING THE OBJECTIVES OF THE INTERVIEW

THE PURPOSE OF THIS INTERVIEW IS TO INVESTIGATE FINANCIAL LITERACY AND FINANCIAL LITERACY EDUCATION AS PART OF MY PHD RESEARCH AT THE INSTITUTE OF EDUCATION UNIVERSITY OF LONDON.

Confidentiality:

Your responses in this interview will be completely confidential; all views expressed will be completely anonymous

So please feel free to state anything you might think is relevant as we go along.

Time:

This interview is not likely to last for more than 30 minutes.

Permission

Please can I have your permission to tape our conversation and take notes? As I mentioned earlier the contents will be completely confidential and your name will not be mentioned anywhere.

4. ASCERTAINING INTERVIEWEE'S POSITION

ARE YOU PART OF ANY ORGANISATION / ASSOCIATION AND IF SO WHAT IS IT?

DO YOU HAVE A JOB TITLE? (IF SO, WHAT IS IT?)

WHAT DO YOU DO IN YOUR JOB ON A TYPICAL DAY?

SO HOW WOULD YOU DESCRIBE YOUR CURRENT ROLE? (FINANCIAL LITERACY EDUCATOR / FINANCIAL SERVICES CONSUMER / BOTH OF THESE / ANY OTHER?)

5. THE MAJOR QUESTIONS

FIRSTLY, IN YOUR VIEW, WHAT IS FINANCIAL LITERACY?

SECONDLY, IN YOUR VIEW, WHAT IS FINANCIAL LITERACY EDUCATION?

THIRDLY, IN YOUR VIEW, WHAT SHOULD AN EFFECTIVE FINANCIAL LITERACY COURSE CURRICULUM CONSIST OF?

6. ASKING ABOUT THE COURSE ATTENDED A FEW MONTHS AGO

For getting to know your views about the content and delivery of this course that you attended more than 3 months ago, and the extent to which the course helped to support your financial decision making and make you more financially capable.

HOW MANY FLE COURSES HAVE YOU ATTENDED BEFORE COMING FOR THIS ONE?

WAS THIS COURSE DIFFERENT IN ANY WAY?

IF YES, HOW WAS IT DIFFERENT?

WHAT DID YOU LIKE MOST ABOUT THE COURSE?

WHAT DID YOU LIKE LEAST ABOUT THE COURSE?

WHAT SHOULD BE LEFT OUT?

WHAT SHOULD BE INCLUDED / ADDED?

7. RATE ON A SCALE OF 1 TO 10 THE FOLLOWING:

I WILL ASK A FEW QUESTIONS; PLEASE CAN YOU RATE YOUR ANSWER ON A SCALE OF 1-10, AND YOUR REASONS FOR THE RATING?

[Ask one or two or three questions as examples for each section depending on availability of time and respondent's level of engagement;

Remember to provide explanations / probe any answer that might need further investigation as appropriate]

KNOWLEDGE COMPETENCE:

TO WHAT EXTENT DID THE COURSE GIVE YOU CONFIDENCE ABOUT KNOWLEDGE ASPECTS? (SO THAT YOU CAN ANSWER YOUR OWN PARTICIPANTS' QUESTIONS CONFIDENTLY?)

To what extent is it important to include material on managing one's finances (e.g. budgeting, debt management, interest rates, etc)?;

To what extent is it important to include material on planning ahead (e.g. pensions, insurance, etc)?;

To what extent is it important to include material on making choices (e.g. re different mortgages, savings products, etc)?;

SKILLS COMPETENCE:

TO WHAT EXTENT DID THE COURSE GIVE YOU CONFIDENCE ABOUT SKILLS ASPECTS – (E.G. HOW IS INTEREST CALCULATED ON A MORTGAGE OR LOAN?)

To what extent is it important to include practical exercises on interest rates calculations (e.g. compound interest, aer, apr, etc)?

To what extent is it important to include practical exercises on present value / future value calculations (e.g. periodic payments on a mortgage, etc)?

To what extent is it important to include practical web-based exercises (e.g. drawing up a personal budget or calculating your personal inflation rate or using the pension calculator)?

BEHAVIOUR AND ATTITUDINAL COMPETENCE:

TO WHAT EXTENT DID THE COURSE HAVE AN IMPACT ON YOUR OWN FINANCIAL BEHAVIOUR? (E.G. PLAN FOR RETIREMENT OR REDUCE BORROWINGS)

IS THERE ANYTHING YOU WOULD DO DIFFERENTLY AS A RESULT OF ATTENDING THE COURSE? IF YES, WHAT IS IT?

IF NO, WHAT DO YOU THINK THE COURSE SHOULD INCLUDE TO MAKE A DIFFERENCE?

TO WHAT EXTENT SHOULD THE COURSE INCLUDE ACTION LEARNING? (Explain Action Learning in a few sentences)

8. GENERAL

HOW CAN FINANCIAL LITERACY EDUCATION BE MADE INTERESTING?

WHAT DO YOU THINK WILL MAKE A PERSON FINANCIALLY CAPABLE?

9. ANY OTHER COMMENTS?

BASED ON YOUR EXPERIENCES WOULD YOU LIKE TO ADD ANYTHING ELSE ABOUT FINANCIAL LITERACY EDUCATION?

10. CLOSING

- Thank you very much for your time.
- If you feel at any time in the future that you might like to share any suggestions, ideas, comments please feel free to do so.
- My telephone number is and my email address is:

It was really nice to talk to you. Take care.

Appendix 17: Interaction opportunities with key informants

Group / Body / Workshops / Seminars	Participants / Key informants	My status	Dates
Financial Services Authority (FSA) & National Institute for Adult Continuing Education (NIACE) Financial Literacy and Older People's Advisory Group at FSA, NIACE, DWP	Financial Services Authority (FSA) (Manager, Consumer Education	- Advisory Group Member	(20.3.02) 23.1.03
	National Institute for Adult Continuing Education (NIACE)	- Presenter (22.6.06)	29.5.03
	Basic Skills Agency (BSA)		28.11.03
	Adult Basic Skills Strategy Unit (ABSSU) of the DfES		17.6.04
	DWP		15.11.04
	SAFE, Toynbee Hall		14.3.05
	Financial Ombudsman Service		18.10.05
	Ufi / learndirect		20.2.06
	Citizens Advice Bureau		22.6.06
	Birmingham Settlement		2.10.06
	Coventry City Council		16.10.06
	Pre-Retirement Association		
	National Consumer Council		
	Coventry City Council		
	Financial Services Research Forum		
	Inland Revenue		
	Help the Aged		
	Age Concern		
	HM Treasury		

NIACE exploring Older Adults in Learning: National Themes in Local Agendas at Reading Town Hall	NIACE Learning and Skills Council (LSC) Help the Aged Consultant Ruskin College, Oxford	Participant	13.6.01
Financial Services Authority (FSA) One to one meeting	FSA (Head of Consumer Education)	Financial literacy researcher	19.6.03
Financial Services Authority (FSA) launch of the baseline Survey on Financial Capability in the UK	FSA (Managing Director of Retail Markets) FSA (Director of Themes) Professor Kempson, Personal Finance Research Centre.	Participant	28.3.06
Financial Literacy Accreditation Working Group (FLAWG) Meetings Also referred to as - Financial Literacy Accreditation Meeting - Financial Qualifications Accreditation Group Meeting - Financial Education Qualifications Group Meeting - Financial Education Qualifications Group meeting	Financial Literacy Team at Basic Skills Agency FSA NIACE SAFE at Toynbee Hall QCA NOCN pfeg Employment Solutions London Metropolitan University Citizens Advice Ifs learning City and Guilds Open University	Working Group Member	17.3.06 16.10.06 27.3.07 11.10.07 22.9.08 2.3.09 23.7.09

	Lifelong Learning UK (LLUK) Tribal Group plc Chartered Insurance Institute (CII) NCFE (earlier Northern Council for Further Education) National Skills Academy for Financial Services University of Kent Educational Consultant South West Pound Ltd International Association of Book-keepers (IAB) Assessment and Qualifications Alliance (AQA) Award Scheme Development And Accreditation Network (ASDAN) British Computer Society (BCS) Scottish Executive Welsh Assembly Government		
House of Commons - NIACE and Prudential: Launch of financial education website www.moneymatterstome.co.uk	Prime Minister's Office DfES DWP HM Treasury FSA NIACE Prudential Adult Learning Inspectorate Personal Finance Consumers' Association	Participant	10.2.04

	London Borough of Hammersmith and Fulham Leicestershire Learning and Skills Council Royal Borough of Kensington and Chelsea Confederation of British Industry Pearson Education Age Concern Help the Aged Westminster Adult Education Service National Consumer Council NATFHE – The University and College Lecturers' Union Investment Management Association National Council for Voluntary Organisations Inland Revenue The Learning Trust Toynbee Hall Institute of Financial Services City and Guilds of London Institute Microsoft Ltd BBC Broadcasting		
Age Concern, Hackney for the Financial Literacy Steering Group	Age Concern, Hackney (Chair of Trustees)	Member of the Financial Literacy Steering Group for Hackney	19.5.04
National Consultation Event on	NIACE (Associate Director)	Participant	23.2.05

Adult Financial Learning	Research Fellow in Financial Education FSA Consultant Loughborough University	Note taker for FSA and NIACE	
UK National Commission for UNESCO at the International Seminar 'Literacy for All: Britain's Response to the Global Challenge' at St Anthony's College, Oxford	UNESCO (Director) UNESCO Basic Education Division Institute of Education NIACE University of Warwick	Participant	2.12.05
Financial Inclusion Forum (FIF) at the FSA for the launch of 'guide to delivering financial literacy' initiative of Toynbee Hall's Adult Advice and Education Dept supported by RBS Financial Inclusion Innovation Fund	FIF FSA (Director of Retail Themes) RBS Members of Financial Services Authority (FSA) & National Institute for Adult Continuing Education (NIACE) Financial Literacy and Older People's Advisory Group and others	Participant	9.3.06
NRDC at the 2004 International NRDC Conference at Loughborough University	NRDC Kings College NIACE BSA	Presenter and Participant	26.3.04
Basic Skills Agency (BSA) at the Financial Literacy and Skills for Life Conference at FSA as well as other meetings	- FSA - BSA (Course Organisers) - Financial literacy practitioners - NIACE	- Participant - Observer - Curriculum developer	16.8.06 10 & 11.10.06 1.11.06

Personal Finance Research Group at the Open University, Bristol / Kellogg College, University of Oxford	Open University; Bristol Personal Finance Research Centre; University of East Anglia University of Central England; Reading University Oxford Brooks University University of Kent; University of Birmingham, London School of Economics	Research Group Member	21.5.07 27 & 28.5.09
The Institute of Education University of London ⁸⁰ – ‘Putting Knowledge to Work – integrating subject-based and work-based knowledge in intermediate level qualifications and workforce upskilling’	Chair in Education (Lifelong Learning) Director of Assessment Research and Development at Cambridge Assessment Other invitees	Participant	11.2.09
Quality Assurance Agency for Higher Education (QAA) Review Meetings	- QAA Panel at London Guildhall University in the Business and Management Subject Area	- Quality Management and Enhancement Aspect	24.11.00 7.2.01

⁸⁰ Mention should also be made of the core courses (11), specialist courses (17) and seminars (12) attended at the Institute of Education University of London as well as meetings with the Chair in Education (Lifelong Learning) who was also my Research Supervisor.

	- QAA Representative and the Institute of Financial Services <i>ifs</i> School of Finance panel	Group Member - Institute of Financial Services Tutor	22.5.07
Financial Services Research Forum at Central Hall, Westminster, London	British Bankers Association (Chief Executive) Nottingham University Business School (Professor) Killik Capital (Chairman) Intermediary Mortgage Lenders Association (Executive Director) FSA Financial Ombudsman Service Financial Inclusion Centre FS Consumer Panel Ifs Learning Toynbee Hall Citizens Advice BBA BSA Association of Friendly Societies Govt departments e.g. DWP, BERR Banks e.g., Barclays, Anglo Irish Bank, HSBC, RBS, Lloyds TSB, HBOS Building Societies e.g. Nottingham, Nationwide, Leek United, Insurers e.g. ABI, Prudential, Standard Life, Ecclesiastical	Participant	11.3.08

	Insurance Accountants e.g. Ernst & Young Imperial College Kings College London South Bank University Sussex University Pfeg Which? Yougov Treasury Select Money Advice Trust ESRC		
Financial Services Skills Council (FSSC) Provider Steering Group for the curriculum framework development of a foundation degree in financial services at FSSC and London Metropolitan University	FSSC (Education Manager); (Head of Accreditation & Business Development) Birkbeck College Birmingham University Middlesex University City University DM Associates Havering College Tower Hamlets College Orpington college Park Lane College South Kent College	Provider Steering Group Member for the development of a curriculum framework in financial services	30.11.05 14.12.05 15.2.06 14.3.06 20.6.06 29.6.06 5.7.06 10.7.06

	Suffolk College University of Chester Hackney Community College Westminster Kingsway		
Chartered Institute of Bankers / Institute of Financial Services / ifs School of Finance , at their offices / hotels	Consultant Tutors / Academic Associates Syllabus Reviewers Assignment Markers and Feedback Providers Programme Developers Course Validators Academic Staff Development Manager Head of Higher Education Research Specialist Team Leader, HE Programmes Local Centre Members Chief Executive and Directors	- Consultant Tutor - Participant - Fellow of the Chartered Institute of Bankers (FCIB) - Fellow of the Higher Education Academy (FHEA)	19.3.01 14.1.02 7.5.03 11.6.03 7.4.06 22.5.07 18.1.08 10.11.09 28.1.10
Teachers and Trainers of Financial Services (TTFS) at International Underwriting Association of London (IUA)	Members of the TTFS Directorate / Council International Underwriting Association of London...	Directorate / Council Member	19.12.02 29.4.04
Higher Education Funding Council for England (HEFCE) Workshop on Student Residential Accommodation Projects	HEFCE (Head of Finance) Private Finance Initiative (PFI) Adviser Royal Northern College of Music (Director of Finance) University of Keele (Director of Finance) University of Plymouth (Director of Learning Facilities)	Participant	21.3.01

	University of Sheffield (Programme Director) University of Greenwich (Director of Finance)		
Action learning Sets / Facilitators Workshops / Seminar / Training at London Metropolitan University; Seminar on Using Action Learning Sets to support applied studies	- Centre for Academic and Professional Development, (Professional Development Adviser), London Metropolitan University; - Brockbank McGill Associates Ltd (Director)	- Action Learning Facilitator; - Workshop / Seminar / Training Programme Participant	16.11.05 31.5.06 13.6.06 28.6.06 21.9.06 26.4.07 23.5.07 31.5.07
Accreditation of Prior Experiential Learning (APEL) Workshops / Seminars / Network Member Meetings / Coordinators' Meetings / Coordinators' Forum Meetings; Southern England Consortium for Credit Accumulation and Transfer (SEEC) APEL Network Meetings	- Deputy Vice Chancellor, London Guildhall University - Academic Registrar and Company Secretary, London Guildhall University; - Undergraduate Programmes & Student Administration (Director), London Guildhall University - University APEL Coordinators - University APEL Board - Quality Management Committee members - Heads of academic departments - Johnson Associates - SEEC network members comprising Universities in England e.g. University of the West of England, Middlesex University, University of Winchester University of Exeter, University of Surrey	- Policy developer; - Author of 'A Framework for APEL', a manual of APEL procedures for London Metropolitan University - APEL Coordinator - SEEC APEL Network Member	21.11.00 6&7.9.01 19.2.04 31.3.04 16.12.04 29.3.07

	University of Bournemouth, University of Westminster Roehampton University, London South Bank University		
YMCA Student Hostel	Members of the Managing Committee, Finance Committee and House Committee	- Member of the Managing Committee - Member of the Finance Committee - Member of the House Committee	17.9.01 20.5.02 22.3.04 29.6.04 12.10.05 12.10.06
Westminster Briefing at IET, Savoy Place for 'Improving Financial Capability During Difficult Times: Making Money Clear for Everyone'	Financial Inclusion Task Force (Chair) Liverpool John Moores University Citizens Advice (Head of Financial Capability) FSA (Director of Financial Capability) Which? (Personal Finance Campaigner) ifs school of finance (Vice President) Toynbee Hall (Manager) Leeds City Council (Senior Policy and Information Officer) and other paying attendees	Participant from London Metropolitan University	24.3.10
London Metropolitan University bid coordination for FSA Grant for development of a Financial Capability Module	FSA / Consumer Financial Education Body (CFEB) London Met Department of Student Services Student Debt Adviser Learning and Teaching, Business Information Technology Computing	- Curriculum Advisor and leading on final module development - Presenter to the FSA	2.9.09 21.3.10

Note: Full details of all events are available for perusal. Conference presentations have been separately detailed in Appendix 20.

Interaction opportunities and opportunities for exploring student learning also arose from my role as a Senior Lecturer in London Metropolitan University as indicated below.

<p>London Metropolitan University</p> <p>Finance and Financial Services</p> <p>Subject Group Meetings, Lectures, Seminars and Workshops</p>	<p>As Senior Lecturer, Banking and Financial Services discharging various roles:</p> <ul style="list-style-type: none"> - Postgraduate and Undergraduate module leader and lecturer - Postgraduate dissertations supervisor and member of research centres - Work Placement Supervisor - Course Leader and Personal Academic Advisor - Departmental APEL Coordinator - Course Liaison Officer for City Banking College - Course Liaison Officer for a London consortium of colleges for the development of a Foundation Degree in Financial Services - Executive Officer, to the Deputy Vice Chancellor, coordinating funding bids and convening committees / working groups <ul style="list-style-type: none"> - Secretary to the Working Group on Learning, Teaching and Skills Development - Member of the Working Group on Space Management - Convenor of the Joint Working Groups on Environmental Policy - Member of Departmental Learning and Teaching Strategy Group - Departmental Representative at the Quality Committee - Departmental Representative at the Academic Counselling Sub-Committee - Chair of the Board of Examiners for Financial Services and Insurance Studies - Participant at training programmes organised by the University in IT and finance areas as well as by other organisations such as the ACCA, Bloomberg, Inland revenue, London Stock Exchange, Fitch Ratings, and St. James' Place 	<p>Ten years</p>
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Appendix 18: Illustration of the signposts⁸¹ derived from the grounded theory approach⁸²

(The processes evolved in an iterative manner and are not necessarily sequential.)

PHASE	PROCESS	ACTIVITY	ILLUSTRATION FROM RESEARCH
RESEARCH DESIGN			
Choosing a research problem and making sampling decisions	Define specific research question	Source personal and professional experience and relevant literature	Identify research question: "What is financial literacy"
	Theoretical, not statistical, sampling ⁸³	Focus efforts on what might be theoretically useful samples	Decisions to sample FLAs, FLPs and FLE participants
DATA COLLECTION			
Developing data collection protocol and entering the field	Employ multiple data collection methods	Strengthen grounding of theory by triangulation of evidence	Use questionnaires, observation, and interviews as methods
	Allow the interplay of qualitative and quantitative data	Adopt synergistic view of evidence	Initial quantitative data followed by more qualitative data
	Overlap data collection and analysis	Adopt flexible and opportunistic data collection methods	Liaise with NIACE, NRDC, FSA and others for generation / collection of data

⁸¹ Thomas and James (2006)

⁸² Based on the approach outlined by Strauss and Corbin (1998); table adapted from Pandit (1996)

⁸³ Deciding, for example, whom to interview or what to observe next according to the state of theory generation

DATA ANALYSIS			
Analysing data to identify concepts, categories and sub-categories and making linkages	Open coding	Abstract concepts and develop categories by opening up the text	Conceptualise 'understanding', 'knowledge', 'numeracy', 'budgeting', 'money management', 'informed decisions' as constituents of the category of 'financial literacy'
	Axial coding	Develop connections between a category and its sub-categories by coding around the axis of a category	Develop 'understanding' and 'capability' and 'performance' as sub-categories of 'financial literacy'
	Selective coding	Integrate categories to build theory	Recognise 'performance' as integrating constituents of both 'capability' and 'performance'. Theorise financial literacy as more than 'financial understanding' and 'financial capability', and as actual 'financial performance'.
EVALUATION			
Establish the domain to which the research findings can be generalised	Comparisons with conflicting and similar frameworks	Compare findings with relevant literature and professional groups	Locate findings within the context of theories of adult learning such as those of Kolb (1984) and others.

Appendix 19: Ethical Approval Form

OUTLINE OF PROPOSED RESEARCH TO BE SUBMITTED FOR ETHICAL APPROVAL

PLEASE NOTE: *You will need to discuss this form with your supervisor. In particular, you should ask your supervisor for any guidelines relating to your area of research. You must read the guidelines and understand them. You should also read and understand the guidelines from the British Educational Research Association (2004) and, if appropriate, the Ethical Principles for Conducting Research with Human Participants published by the British Psychological Society (2000). Copies are available from the Research Degrees Section of the Registry.*

1. Name: NIRMALA LEE

Supervisor(s): Professor KAREN EVANS

2. Contact address:

Home:

Work: Senior Lecturer, London Metropolitan Business School, London
Metropolitan University, Finance and Financial Services Subject
Group, 84 Moorgate, London EC2M 6SQ

Telephone: 020 7320 1673

Email: n.lee@londonmet.ac.uk

3. Degree for which you are registered (please circle):

M.Phil

Ph.D

Ed.D

Staff Research

4. Provisional Title of Research Project:

'Understanding financial literacy and financial literacy education: What might be the components of an effective financial literacy curriculum?'

PLEASE ANSWER THE FOLLOWING QUESTIONS giving full details where necessary:

5. What are the aims of your project?

There is concern about the lack of financial literacy and the need for financial literacy education, but little or no attempt to understand their nature. The purpose of the study was to look beyond preconceived notions and to improve our understanding of financial literacy, financial literacy education and the components of an effective financial literacy curriculum by addressing the research questions set out below.

6. What are the main research questions?

There were three major research questions as outlined in chapter 1 of the thesis:

1. What is Financial Literacy?
2. What is Financial Literacy Education?
3. What Might be the Components of an Effective Financial Literacy Curriculum?

7. What procedures will be employed? (If a questionnaire/test/protocol/structured interview is to be used, a copy should be attached).

- 1 First preliminary enquiry (Appendix 1)
- 2 Second preliminary enquiry (Appendix 2)
- 3 Survey (analysis) of financial advisers (Appendices 3 and 4)
- 4 Survey of financial literacy education providers (Appendix 5)
- 5 Observation of financial literacy courses
- 6 Interviews of financial literacy course providers / participants (Appendix 6)⁸⁴

⁸⁴ Appendix 16 in this thesis.

8. Who are the participants?

- 1 First preliminary enquiry – University students
- 2 Second preliminary enquiry – University students
- 3 Analysis of survey of financial advisers – Financial advisers
- 4 Survey of financial literacy education providers – Financial literacy education providers
- 5 Observation of financial literacy courses – Trainers and participants of financial literacy courses aimed at 1) trainers of trainers of end-users 2) trainers of end-users and 3) end-users
- 6 Interviews of FL course providers / participants of courses referred to in item 5 above

9. Will you provide participants with a clearly written leaflet in their first language, outlining the nature of the research, and including possible benefits and/or harms?

An oral presentation outlining the nature of the research, including possible benefits was made at the start of the observation and interview processes. No specific predictable detriment or harm was identified.

10. If participants will not be fully informed, how is this justified?

Not applicable

11. How will they be recruited?

The rationale and method of identification and recruitment of participants are outlined in chapter 1 of the thesis.

12. If participants are under the responsibility of others (such as parents, teachers, medical staff or employees of an institution) how do you intend to obtain permission for the participants to take part in the study?

Not applicable.

13. How will you obtain the consent of participants? Will consent be obtained orally/in writing?

Written consent was obtained for interviews and oral consent was obtained for observations.

14. Is there reason to believe participants might have any negative experiences during your study?

NO

If YES, what steps will you take to explain and minimise this?

No particular predictable detriment to the participants can be identified. However, there are several ways in which participants *might* have negative experiences during the study. Some of the modes of data generation may be deemed to be intrusive. The enquiry was therefore conducted throughout in a manner which was sensitive to this, and sought to put participants at their ease, minimise disruption and prevent any sense of unwarranted intrusion arising.

15. How will it be made clear to participants that they may withdraw consent to participate at any time?

This was orally reiterated at the start of the data generation processes that involved observation and interviews.

16. If participants are from a disadvantaged group, how will you make allowance for any anxieties/additional problems they may have?

The participants were not deemed to be from any disadvantaged group, though it may have been possible that they might have been disadvantaged in some manner not known beforehand. The enquiry was therefore conducted throughout in a manner which was sensitive to this, and sought to put participants at their ease and prevent any anxieties/additional problems that they might have.

17. Do you propose to debrief participants? **NO**

If YES, how will this be done?

The research did not involve any deception or withholding of information and did not envisage any harmful after-effects (BPS, 1992, 2000), and therefore debriefing was not considered to be necessary. However, general debriefing took place in the form of interactions and presentations in various fora as outlined in Appendices 7 and 9 of the thesis.

18. Will you provide participants with information about the findings of your study? **NO**

If YES, what form will this take?

While I am willing and happy to discuss the findings of my study with any participant who expresses a wish to do so, I do not propose to actively seek out individual participants for such a discussion as that is not considered to be feasible in the light of the varied and dispersed nature of the participants. However, findings of my study were provided in the form of interactions and presentations in various fora as outlined in Appendices 7 and 9 of the thesis.

19. Have you taken measures to ensure no harm arises as a result of your work (eg: to prevent false expectations of donations or your continued involvement in a project, or to prevent negative images which may affect the funding of a project)?

Yes.

20. How will information obtained from or about participants be stored and protected, eg, to prevent them from harm by preserving anonymity eg, aid workers, children with HIV/AIDS, etc; (in accordance with the Data Protection Act re: information of a sensitive nature).

Paper data will be stored securely under lock and key, and electronic data will be protected by passwords. Individuals will be referred to by generic code names and will remain anonymous unless they have given written permission to reveal their identity. The survey of financial literacy education providers in the second phase of the research provided for participants to give written consent for waiving their right to anonymity, and those who have so consented and did not wish their comments to be unattributable were identified and cited both in the thesis and in the NRDC publication for DfES (2005) that was co-authored by me.

The requirements of privacy as outlined in sections 23 to 26 of the Revised Ethical Guidelines for educational Research (2004) outlined by the British Educational Research Association (BERA) have been complied with.

If your research involves field work or data collection outside the UK, have you:

21. obtained a research visa and any other necessary permission to do research, from the government of that country? **YES/NO**

Give details if necessary.

Not applicable – data collected within the UK

21. obtained proper permission from any organisations that you will be working with, (eg, Oxfam, local NGOs, schools). **YES/NO**

Give details if necessary.

Not applicable – data collected within the UK

21. ensured that you can fulfil the other requirements on this form in appropriate languages (e.g. that you can explain your research to the participants in their mother tongue)?

YES/NO

Give details if necessary.

Not applicable – data collected within the UK

22. Outline any other information you consider to be relevant to this submission, using a separate sheet if necessary.

Proforma of the research instruments are attached as appendices 1-5.

I confirm that the information given above is correct and that I have read, understood and endorse:

- (a) the Revised Ethical Guidelines for Educational Research (2004) from the British Educational Research Association;
- (b) (if appropriate) the Code of Conduct, Ethical Principles and Guidelines including Ethical Principles for Conducting Research with Human Participants published by the British Psychological Society (2000)."

Signature

Date: 24th July 2009.

Signed electronically and submitted by email, the text of which also includes a confirmation

If you have received additional guidelines from your Supervisor, please endorse the statement: "I have received, read and understood departmental ethical guidelines issued to me by my Supervisor relating to this work."

Signature(s)

Date: ...24 July 2009.....

TO BE COMPLETED BY THE SUPERVISOR

5. Do you foresee any ethical problems with this research?

YES/NO

If YES, please give details.

Signature of Supervisor

Date:

DECISION OF FULL ETHICS COMMITTEE

- (i) Authorised.
- (ii) Authorised subject to the following additional measures.
- (iii) Not authorised for the reasons given (see overleaf).

6. Name(s).....

Signature(s).....

Date:.....

When full approval has been given, please pass this form to the supervisor or grant holder. If the proposal is not authorised, the applicant should seek a meeting with the Ethics Committee.

Comments:

Appendix 20: Publications, acknowledgements and presentations

Publications

- 'Principles of Lending' (2008) peer reviewed text book published by the ifs (institute of financial services) School of Finance, incorporated by Royal Charter, with ISBN: 978-1-84516-751-6, and by Global Professional Publishing with ISBN: 978-1-906403-20-1
- 'Financial Literacy Education and Skills for Life' (2005) with D. Coben and M. Dawes, National Research and Development Centre for adult literacy and numeracy Research Report for the UK Government Department for Education and Skills (DfES) ISBN: 1-905-188-03-X
- [Research analysis report for the National Institute for Adult Continuing Education (NIAICE) for their DfEE funded project (2001) incorporated in their publication 'Old Money: Financial understanding for older adult learners' by Whitelegg, D. Soulsby, J. and Carlton, S. ISBN: 978-1-86201-165-6]

Conference papers and professional journal publications

- 'What Might be the Components of an Effective Financial Literacy Curriculum?' (2008) LMBS Research Conference, London Metropolitan University
- 'Marketing and Darwin: Are Financial Institutions Responsible for Consumer Financial Literacy?' (2005) *4th International Conference on Corporate Social Responsibility* London Metropolitan University
- 'Mapping Financial Literacy Provision' *NRDC International Conference on Researching Effective Practice in Adult Literacy, Language and Numeracy* (2004) Loughborough
- 'Universities and Financial Literacy: the Way Forward', (2004) *IV International Congress of Higher Education Universidad 2004*, Havana
- 'Developing a paradigm for financial literacy: the role of the university, the workplace, the bank and the consumer in the lifelong learning process' (2003) *UACE Conference on Work Based Learning Opportunities for Lifelong Learners*, Cyprus
- 'The University, the Industry and the Economy: Can Continuous Financial Literacy Development (CFLD) Become a Reality?' (2001) the Second International Symposium of Students and Professions Prague

'The Need for Incorporating Financial Literacy within the Qualifications Framework' (2001)
Southern England Consortium of Audit Accumulation and Transfer (SEEC)
Conference

'An Innovative Approach to Accounting and Financial Education: Quiz as a Method of
Teaching, Learning & Assessment" (1998) presented at the Annual Conference of
the British Accounting Association, Manchester

'The Cyprus Stock Exchange', (1998) *Teachers and Trainers of Financial Services*

'World Bank/IMF Conferences at Hong Kong', (1997) *Teachers and Trainers of Financial
Services*

"Risks of Investing in Emerging Markets", (1997) *World Bank / IMF conferences* Hong Kong

'Review of the Annual Address of the Chief Executive of Barclays Bank' (1996) *Women in
Banking and Finance*

Study/revision material for the Chartered Institute of Bankers (CIB) institute of financial
services (ifs) for 'Marketing of Financial Services', 'Retailing of Financial Services'
and 'The Monetary & Financial System'

Acknowledgements / citations to my work

Goro, W (2006) *An Assessment of the Training Needs of Financial Capability Practitioners*
by the Centre for Social and Evaluation Research, London Metropolitan University
(as contributor to discussion and draft)

Financial Services Skills Council (FSSC) (2006) *Financial Services Foundation Degree
Framework* (as contributor to the framework development as a member of the FSSC
Provider Steering Group)

NIACE (2005) *NIACE Briefing Sheet - 63: Promoting financial capability provision for older
people*, NIACE, Leicester (as having carried out the NIACE analysis survey of
institutions and organisations offering service/information/analysis on financial
matters)

Workshop presentations

'Financial Literacy Education: Recommendations for Policy', Personal Finance research
workshop, Department for Continuing Education, Kellogg College, Oxford, 28 May
2009 (forthcoming)

'The credit crunch: Is it due to irresponsible lenders or illiterate borrowers?', The Alumni
Seminar, London Metropolitan University, 18 March 2009

'Developments in Financial Literacy Education', Financial Qualifications Accreditation Group (FQAG), the Novas CUC Conference Centre, London, 2 March 2009.

'Research in Financial Literacy' Personal Finance Research Workshop, (2007) Open University, Bristol

'Framework for database of Personal Finance courses' (2007) Financial Qualifications Accreditation Group, Basic Skills Agency / Financial Services Authority (FSA)

'Mapping the Provision of Financial Literacy Education', (2006) Advisory Group for Financial Literacy for Older People, Financial Services Authority (FSA) / National Institute of Adult Continuing Education (NIACE) at Help the Aged

'Brainstorming for Financial Literacy Education' (2006) Financial Literacy Accreditation Working Group (FLAWG), Toynbee Hall at London Metropolitan University

Appendix 21: Abbreviations

ABCUL	Association of British Credit Unions Limited
ABA	American Bankers Association
ABE	Adult Basic Education
ABI	The Association of British Insurers
ABSSU	Adult Basic Skills Strategy Unit
ACLF	Adult and Community Learning Fund
AdFLAG	Adult Financial Literacy Advisory Group
AER	Annual Equivalent Rate
AFCaF	Adult Financial Capability Framework
AICPA	American Institute of Certified Public Accountants
AL	Action Learning
ALI	Adult Learning Inspectorate (ALI)
ANCC	Adult Numeracy Core Curriculum
ANZ	Australia and New Zealand Banking Group
AON	Application of Number (Key Skills qualification)
AQA	Assessment and Qualifications Alliance
ASDAN	(Award Scheme Development And Accreditation Network ⁸⁵)
bassac	British Association of Settlements and Social Action Centres
BBA	British Bankers' Association
BCS	British Computer Society
BoE	Bank of England
BS	Basic Skills
BSA	Basic Skills Agency
BSA	Building Societies Association
C&G	City & Guilds
CA	Citizens Advice
CAB(s)	Citizens Advice Bureau(x)
CBF	Commonwealth Bank Foundation

⁸⁵ This original expanded version is no longer in use.

CCP	Canons Cluster Project
cdfa	Community Development Finance Association
CDFI	Community Development Finance Institution
CeFS	Certificate in Financial Studies
CFEB	Consumer Financial Education Body
CFLD	Continuous Financial Literacy Development
CFLI	Community Finance and Learning Initiative
CII	Chartered Insurance Institute
CPAG	Child Poverty Action Group
CPD	Continuous Professional Development
CIB	Chartered Institute of Bankers
CoBAL	Competency based Action Learning
CPA	Certified Public Accountant
CSR	Corporate social responsibility
CU	Credit Union
DfEE	Department for Education and Employment
DfES	Department for Education and Skills
DTI	Department for Trade and Industry
DWP	Department for Work and Pensions
ESF	European Social Fund
ESOL	English for Speakers of Other Languages
FAs	Financial advisers
FDIC	Federal Deposit Insurance Corporation
FE	Further Education
FENTO	Further Education National Training Organization
FIs	Financial institutions
FL	Financial Literacy
FLE	Financial literacy education
FLC	Financial literacy curriculum
FLP	Financial literacy practitioner / FLE provider
FMA	Foundation Modern Apprenticeships
FPC	Financial Planning Certificate
FLAWG	Financial Literacy Accreditation Working Group
FQAG	Financial Qualifications Accreditation Group

FRS	Family Resources Survey
FSA	Financial Services Authority
FSMA	Financial Services and Markets Act
FSSC	Financial Services Skills Council
FV	Future Value
GCSE	General Certificate of Secondary Education
HA	Housing Association
HE	Higher Education
HERO	Higher Education and Research Opportunities in the United Kingdom
HMT	Her Majesty's Treasury
HSBC	Hong Kong and Shanghai Banking Corporation
IBB	Islamic Bank of Britain
IAB	International Association of Book-keepers
ICT	Information and Communication Technology
IDA	Individual Development Account
IGFE	The International Gateway for Financial Education
IRR	Internal Rate of Return
IT	Information Technology
IFA	Independent Financial Adviser
ifs	institute of financial services
IOE	Institute of Education
ISA	Individual Savings Account
IUA	International Underwriting Association of London
L&H	Leeds and Holbeck Building Society
L&Q	London and Quadrant Housing Trust
LA	Local Authority
LEA	Local Education Authority
LLN	Language, literacy and numeracy
LLSC	Local Learning and Skills Council
LLSP	Learning and Skills Partnership
LLUK	Lifelong Learning UK
LondonMet	London Metropolitan University
LPSA	Local Public Service Agreement
LSC	Learning and Skills Council

LSC	Legal Services Commission
LSDA	Learning and Skills Development Agency
LSE	London School of Economics
MHT	Metropolitan Housing Trust
NACAB	National Association of Citizens Advice Bureaux
NACRO	National Association for the Care and Resettlement of Offenders
NDC	New Deal for Communities
NDfC	New Deal for Communities
NBER	National Bureau of Economic Research
NFER	National Foundation for Educational Research
NIACE	National Institute for Adult Continuing Education
NOCN	National Open College Network
NRDC	National Research and Development Centre for adult literacy and numeracy
NRU	Neighbourhood Renewal Unit
NSAFS	National Skills Academy for Financial Services
NT	National Test for Adult Literacy and Numeracy
NVQ	National Vocational Qualification
OECD	Organisation for Economic Co-operation and Development
OCN	Open College Network
OCR	Oxford and Cambridge RSA Examination Board
Ofsted	Office for Standards in Education
OFT	Office of Fair Trading
OLSU	Offenders' Learning and Skills Unit
OU	Open University
PACFL	President's Advisory Council on Financial Literacy
PAT14	Social Exclusion Unit Policy Action Team 14
pa	per annum
PfA	People for Action
PFE	Personal Financial Education
pfeg	Personal Finance Education Group
PFRC	Personal Finance Research Centre, School of Geographical Sciences, University of Bristol
PGCE	Post Graduate Certificate in Education
PSHE	Personal, social and health education

PPI	Payment Protection Insurance
PPP	Public Private Partnership
PRA	Pre-Retirement Association
PV	Present Value
QCA	Qualifications and Curriculum Authority
RBS	Royal Bank of Scotland
RNID	Royal National Institute for Deaf People
RSA	Royal Society of Arts
SAM	Sandwell Advice and Moneylink
SBI	State Bank of India
SEU	Social Exclusion Unit
SfL	Skills for Life
SIFE	Students In Free Enterprise
SVUK	Standards Verification UK
TH	Toynbee Hall
T1	Participant of Training for end-user course 1
T2	Participant of Training for end-user course 2
T3	Participant of Training for end-user course 3
TT1	Participant of Training for Trainer / CoBAL course 1
TT2	Participant of Training for Trainer / CoBAL course 2
TTFS	Teachers and Trainers of Financial Services
TTT	Participant of Training for Trainer of Trainer course
TUC	Trades Union Council
Ufi	University for Industry
UK	United Kingdom of Great Britain and Northern Ireland
USA	United States of America
WBL	Work Based Learning